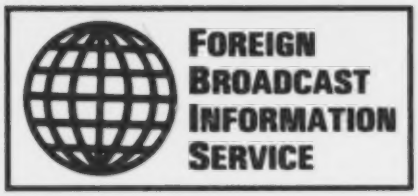

Daily Report

Latin America

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CONTENTS

NOTICE TO READERS: An • indicates material not previously disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Group of 8 Ministers To Meet in Brazil *[Madrid EFE]* 1
Andean Envoys Sign Telecommunications Accord *[Quito Radio]* 1
More on Accord *[AFP]* 1
Southern Cone Transportation Meeting Begins *[Brasilia Radio]* 1

CARIBBEAN

Cuba

Ministry Denies Rumor of Truce With UNITA *[Havana Radio]* 2
U.S. Planning 'Anti-Cuban' Television Station *[Havana International]* 2
VNA Reports on Vo Nguyen Giap, Castro Meeting *[Hanoi]* 2
Rodriguez Receives Indian Industrial Delegation *[Havana TV]* 2
Western Ambassadors Visit Holguin Province *[Havana TV]* 2
Lao Minister Sends Greetings to Leaders *[Havana Radio]* 3
GDR League of Friendship Leader Returns Home *[Havana Radio]* 3
Ibero-American Education Official Arrives *[Havana TV]* 3
Socialist Architects Meeting Ends in Havana *[Havana TV]* 3
FAR Members Receive Medal for Bravery *[Havana TV]* 4
Sugar Technicians Association Congress Opens *[Havana TV]* 4
Over 3 Million Persons Tested for AIDS *[Havana Radio]* 4

Bahamas

Teachers 'Not Satisfied' With Wage Increases *[CANA]* 4

Jamaica

Private Sector May Build Oil Refineries *[CANA]* 5
International Bauxite Meeting Begins *[CANA]* 5

Trinidad and Tobago

Robinson Says CFF Application Approved *[CANA]* 6

MEXICO

President Reviews Agricultural Accomplishments *[EL NACIONAL 15 Nov]* 8
Cardenas: No Stopping Transfer of Power *[Mexico City TV]* 8
21 Deputies Begin Fast *[Mexico City TV]* 8
Planning Secretariat Reports 3d-Quarter Figures *[EXCELSIOR 19 Nov]* 8
Trade Official Reports 8-Month Drop in Surplus *[EXCELSIOR 18 Nov]* 9
Social Sector Acquires 34 Sugar Mills *[Mexico City TV]* 9
Official Reports Parastate Industrial Exports *[EXCELSIOR 14 Nov]* 9
Mexican Democratic Party Elects President *[EL NACIONAL 14 Nov]* 9
Official Results: PRI Wins Tabasco Governorship *[EXCELSIOR 14 Nov]* 9
U.S. Ship Detained for Illegal Fishing *[NOTIMEX]* 9
Kidnapped Japanese Industrialist Released *[Mexico City TV]* 9
6-Year Antidrug Campaign Results Announced *[EXCELSIOR 19 Nov]* 9

Seized Drugs Burned *[Mexico City TV]* 10
'Pacifico IX': 3,654 Arrested *[UNOMASUNO 17 Nov]* 10
Cocaine Confiscated in Sonora *[EXCELSIOR 18 Nov]* 10

CENTRAL AMERICA

Belize

1,000 More People Granted Refugee Status *[CANA]* 11

Costa Rica

Madrigal Views Nicaragua Stance on ICJ Suit *[AFP]* 11
Government Expands Maritime Jurisdiction *[LA NACION 11 Nov]* 11
1988 Government Deficit 'Larger Than Expected' *[LA NACION 14 Nov]* 12
Cumulative Inflation Rate Reaches 18.5 Percent *[LA REPUBLICA 12 Nov]* 12

El Salvador

Rivera y Damas on OAS Session, Elections *[San Salvador Radio]* 12
Electoral Council Registers MAC Party *[AFP]* 13
'Subversives' Reportedly Trained at University *[DIARIO DE HOY 16 Nov]* 13
FMLN Criticizes Army Rights Violations *[Radio Venceremos]* 13
'High-Level' FMLN Delegation Tours Europe *[Radio Venceremos]* 14
FMLN Reports Reports 18-20 Nov Activities *[Radio Venceremos]* 14

Guatemala

Defense Minister Interviewed on Guerrillas *[Guatemala City TV]* 14
Police Arrest Wanted 'U.S. Terrorist' *[ACAN]* 15
Army Presents Suspected 'Cuban Spy' to Press *[AFP]* 15
Congress Debates, Approves 1989 Budget *[Guatemala City Radio]* 15
Netherlands Donates Money for Education *[Guatemala City Radio]* 16

Honduras

Protocol on U.S. Bases 'Will Be Signed Soon' *[LA TRIBUNA 15 Nov]* 16
Editorial Criticizes Accord *[TIEMPO 16 Nov]* 16
Editorial Decries OAS Meeting's Lack of Results *[EL HERALDO 18 Nov]* 17
Commonwealth Group Discusses British Projects *[EL HERALDO 19 Nov]* 17

Nicaragua

Attacks From Honduras, Costa Rica Reported *[ACAN]* 17
Communique Issued 21 Nov *[Managua Radio]* 18
Ramirez: Leaders 'Waiting for Bush' Policy *[Managua Radio]* 18
RN Member Labels Alfredo Cesar 'Inconsistent' *[San Jose Radio]* 18
Trial Process for Nandaime 'Heroes' Extended *[LA PRENSA 17 Nov]* 18
Panama To Provide Aid for Agricultural Recovery *[BARRICADA 18 Nov]* 19
$450 Million Debt With BCIE Refinanced *[BARRICADA 18 Nov]* 19

Panama

Solis Palma Denies U.S. Negotiation Offer *[ACAN]* 20
Comments on Upcoming Elections *[Panama City TV]* 20
PdP's Sousa on Negotiations With U.S. *[LA REPUBLICA 16 Nov]* 21
PDC Party Congress Date Announced; Arias Cited *[Panama City TV]* 21
PDC Vice President Urges Fair Elections *[Panama City TV]* 21
CONEP Outlines Crisis Policy Document *[Panama City TV]* 22
Haiti 'Liberation Front' Leader Backs Noriega *[Panama City TV]* 22
Nonattendence at PCC Meetings Supported *[LA REPUBLICA 9 Nov]* 23

Further on PCC 'Administrative Chaos' 23
Canal Appointment Debated *[LA REPUBLICA 15 Nov]* 23
Panamanian Employees Discussed *[LA REPUBLICA 16 Nov]* 24
Government Reviews U.S. Workers Tax Issue *[MEDIODIA 16 Nov]* 24
Government To Pay Public Employees on 18 Nov *[Panama City TV]* 25
Teachers Protest Delay *[ACAN]* 25

SOUTH AMERICA

Argentina

Caputo on Pending Meeting With U.K. Ambassador *[Buenos Aires Radio]* 26
Cordoba, Romania Sign Cooperation Agreement *[DYN]* 26
* Brodersohn, Machinea on Monetary Policy *[CLARIN 25 Oct]* 26
* Central Bank Releases Figures for Last Quarter *[CLARIN 25 Oct]* 27
* Leftist Coalition To Hold Election in December *[LA NUEVA PROVINCIA 24 Oct]* 27
Intransigents To Join Justicialists in Elections *[BUENOS AIRES HERALD 21 Nov]* 28
* Carlos Menem's '12 Apostles' Profiled *[EL NUEVO PERIODISTA 13 Oct]* 28
Explosion Kills Policeman at Storage Facility *[NOTICIAS ARGENTINAS]* 30
Gas Leak Causes Explosion *[TELAM]* 30
Police Confiscate Coca Leaves, Ether in Stalta *[Buenos Aires Radio]* 30

Bolivia

Police Operations Increase To Repress Violence *[La Paz Radio]* 30
Five Peasant Groups Form Political Party *[La Paz Radio]* 30

Brazil

Sarney Reportedly Not To Reshuffle Cabinet *[Brasilia Radio]* 30
* Sarney May Remain Neutral on Succession *[O ESTADO DE SAO PAULO 18 Oct]* 31
Ministers Minimize Leftist Electoral Victory *[FOLHA DE SAO PAULO 20 Nov]* 31
Oil Workers Accept Proposal, End 10-Day Strike *[Brasilia Radio]* 32
* CFP Forecasts Record Grain Harvest *[O ESTADO DE SAO PAULO 14 Oct]* 32
Inspectors Note Problems in Nuclear Plant *[FOLHA DE SAO PAULO 19 Nov]* 32
Drug Trafficker Arrested in Rio With Cocaine *[Rio de Janeiro TV]* 33
Police Arrest Traffickers, Confiscate Cocaine *[O GLOBO 19 Nov]* 33
* Satellite Project With PRC Discussed *[O ESTADO DE SAO PAULO 14 Oct]* 33

Chile

Pinochet Claims U.S. Funding of Opposition *[Madrid EFE]* 34
Caceres Says Pinochet Not To Run in 1989 *[TELAM]* 34

Colombia

* Barco on Peace Plan, Reform, Foreign Debt *[EL ESPECTADOR 2 Oct]* 34
* Justice Minister on Extradition, Insecurity *[EL TIEMPO 9 Oct]* 37
* New Trends Observed in Guerrilla Warfare *[EL TIEMPO 9 Oct]* 39

Paraguay

Christian Democratic Party Elects New President *[EL DIARIO 21 Nov]* 41
Police Deny Christian Democrat Resck's Charges *[HOY 17 Nov]* 41
Police Detain Journalist Returning From U.S. *[ULTIMA HORA 17 Nov]* 41
Released on 21 November *[ULTIMA HORA 21 Nov]* 41
Writer Arrested, Detained at Police Department *[HOY 18 Nov]* 41
Unemployment Rate in Metropolitan Area Revealed *[HOY 21 Nov]* 42

Peru

Economic Adjustment Causes Breach in Government *[Madrid EFE]* 42
Reportage on Terrorist Attacks, Casualties 42
Police Report for 14-20 Nov *[Madrid EFE]* 42
Communique on 20 Nov Shootout *[Madrid EFE]* 43
More Army-Terrorist Clashes *[Lima TV]* 43

Uruguay

Sanguinetti, Justicialist Candidate Meet *[Montevideo Radio]* 43
Senator Protests Soviet Diplomat's Remarks *[Montevideo Radio]* 44

Guyana

Country Unable To Meet U.S. Sugar Quota *[CANA]* 44

Group of 8 Ministers To Meet in Brazil

PY1711172288 Madrid EFE in Spanish 0838 GMT 17 Nov 88

[Excerpt] Montevideo, 17 Nov (EFE)—The economy ministers of the Group of Eight countries will meet in Rio de Janeiro, Brazil, beginning 11 December to discuss the different methods of reducing their country's foreign debt. The overall Latin American foreign debt is about $420 billion.

Among other things, the ministers will discuss the adjustment of the debt to the lower values set by the international secondary market. They will also discuss the creation of a system of debt swapping among the Group of Eight countries.

The meeting was convened by the presidents of Argentina, Brazil, Colombia, Mexico, Peru, Venezuela, and Uruguay during the recent summit in Punta del Este, 147 km from Montevideo.

Panama has not participated since February because of the internal institutional problems brought about by the removal of President Arturo Delvalle. [passage omitted]

Andean Envoys Sign Telecommunications Accord

PA2011144988 Quito Voz de Los Andes in Spanish 1230 GMT 19 Nov 88

[Summary] The representatives of Bolivia, Colombia, Ecuador, Peru, and Venezuela have signed an agreement in Quito to form the Andean Satellite Telecommunications Organization [Organizacion Andina de Telecomunicaciones Por Via Satelite].

The agreement is one of the most important decisions made at the fourth meeting of transport, communications, and public works ministers of the Cartagena Agreement.

Bolivian Ambassador to Ecuador Olmedo Lopez said the [word indistinct] Simon Bolivar satellite will be an instrument for the liberation of the Andean countries and will increase the Andean peoples' freedom of expression.

More on Accord

PA1911005588 Paris AFP in Spanish 1934 GMT 18 Nov 88

[Excerpts] Quito, 18 Nov (AFP)—Public works, transportation, and communications ministers of the Andean region today agreed to encourage whatever work is necessary in their respective countries to fully equip the region for satellite communications.

The officials will end their fourth meeting today by signing a protocol forming the Andean Organization of Satellite Telecommunications [Organizacion Andina de Telecomunicaciones por Satelite] (OATS). Today the officials held a joint news conference to explain the scope of their project in detail. According to the officials, the organization's main goal is to place at least one communications satellite in orbit. [passage omitted]

It is estimated that the project will cost between $380 million and $480 million. Colombia, Peru, and Venezuela will finance 84 percent of the project (28 percent each), while Ecuador and Bolivia will evenly divide the remaining 16 percent of the financing. [passage omitted]

Colombian Communications Minister Pedro Martin-Leyes Hernandez referred to the possibility of establishing a satellite-based Andean television network to replace the U.S. Intelsat system.

Vicente Perez Cayena, Venezuelan transport and communications minister, said that his country is honored to be the seat of the OATS, which will serve the 4.7-million-square-km area of the Andean region. He added that Venezuela is determined to carry out this task.

Initially, the Telephone Company [Compania Anonima de Telefonos] will be responsible for initiating the project with the help of the other Andean countries' communications companies. [passage omitted]

Juan Neira, Ecuadoran [public works and communications] minister, explained that the area of telecommunications has experienced the greatest technological development in the region. He added that it also has the necessary resources to begin a project of this nature. The project was designed over a period of several years by the Association of Andean State Telecommunications Enterprises (ASETA).

Southern Cone Transportation Meeting Begins

PY2211013788 Brasilia Domestic Service in Portuguese 2100 GMT 12 Nov 88

[Summary] Representatives of Brazil, Argentina, Paraguay, Uruguay, Bolivia, Chile, and Peru are currently participating in the first phase of the 15th meeting of public works and transportation ministers of the Southern Cone in Canela, Rio Grande do Sul. The purpose of the meeting is to discuss ideas for the development of land transportation between the countries of the region.

Cuba

Ministry Denies Rumor of Truce With UNITA

FL2111163188 Havana Radio Reloj Network in Spanish 1517 GMT 21 Nov 88

[Text] A spokesman for the Cuban Foreign Ministry has denied rumors that internationalist troops from our country, which are fulfilling their duties in Angola, and UNITA [National Union for the Total Independence of Angola] forces have held talks and reached an informal agreement on a cease-fire.

According to a South African newspaper, Jonas Savimbi [UNITA leader] said that last month, Cuban and UNITA delegations reached an agreement at a secret meeting in the Ivory Coast.

Those statements lack truth and only in a context of propagandist manipulation can one speak of an informal agreement between our troops and the counterrevolutionary group, said the Cuban Foreign Ministry spokesman.

He added that according to international law and article 51 of the UN Charter, the Cuban troops only have relations with the People's Armed Forces for the Liberation of Angola. Anything else is unfounded rumor, stressed the spokesman.

U.S. Planning 'Anti-Cuban' Television Station

PA2211023388 Havana International Service in Spanish 0000 GMT 22 Nov 88

[Text] Cuba will use all available means to respond to U.S. plans to set up an anti-Cuban television station. This was stated in Havana at the 13th Latin American Conference of Journalists by Sergio Varata, section chief of the Revolutionary Orientation Department of Cuba [Departamento de Orientacion Revolucionario de Cuba].

He stated that if the United States wants to, it could negotiate a bilateral exchange of radio and television programs with the Cuban Government. He noted that Washington has chosen to impose a radio station on Cuba and it is now announcing the imposition of a television station. Therefore, he said, Cuba reserves the right to respond as appropriate to what we view as aggression.

The television channel initiative was included in a bill that was approved in July of this year. The initial budget is $7.5 million a year.

VNA Reports on Vo Nguyen Giap, Castro Meeting

BK2111153888 Hanoi VNA in English 1459 GMT 21 Nov 88

[Text] Hanoi VNA Nov. 21—Vo Nguyen Giap, member of the Communist Party of Vietnam Central Committee and vice chairman of the Council of Ministers, has paid a working visit to Cuba as guest of the Communist Party of Cuba Central Committee and the Cuban Government.

On November 16, he was warmly received by Fidel Castro, first secretary of the Communist Party of Cuba, president of both the Council of State and the Council of Ministers.

Present at the reception was Raul Castro, second secretary of the Communist Party of Cuba Central Committee, first vice president of both the State Council and the Council of Ministers and minister of revolutionary armed forces. The two sides informed each other of the situation of the socialist construction and national defence in their respective countries. Vo Nguyen Giap conveyed the best regards from General Secretary of the Communist Party of Vietnam Nguyen Van Linh and other Vietnamese party and state leaders to President Fidel Castro. The reception took place in an atmosphere of militant solidarity and fraternal friendship.

While in Cuba, Vo Nguyen Giap had working sessions with Raul Castro; Rosa Simeon, alternate Politburo member of the Communist Party of Cuba Central Committee and president of the Cuban Academy of Sciences; Ramon Fernandez, alternate Politburo member of the Communist Party of Cuba Central Committee, vice chairman of the Council of Ministers, and minister of education; and others.

Vietnamese Ambassador to Cuba Do Van Tai joined all the above-mentioned activities.

Rodriguez Receives Indian Industrial Delegation

FL2111132188 Havana Tele-Rebelde Network in Spanish 1200 GMT 21 Nov 88

[Text] A delegation from India's industrial firm (Birla) is in our country on a working visit. Mr (Mandeilia), Mr (Birla), and Mr (Goyal) were received at the Jose Marti International Airport by Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers. Also present to greet them was Ernesto Melendez, minister president of the State Committee for Economic Cooperation.

The (Birla) firm has cooperation relations with our country in the textile sector. During their 1-week stay in Cuba, the visitors will tour sites of economic and social interest.

Western Ambassadors Visit Holguin Province

FL1911041088 Havana Television Service in Spanish 0100 GMT 19 Nov 88

[Text] Western ambassadors accredited in Cuba today began a visit to Holguin Province. The group is comprised of diplomats from France, Turkey, Austria, Belgium, Greece, and the Netherlands.

During their visit, they will be able to observe the progress of the economic and social development of that eastern area.

[Begin recording] [Vice Foreign Minister Raul Roa Kouri, identified by caption] The purpose of the trip, first of all, is to observe the progress of the province, tour the city of Holguin, and visit the Moa nickel plant tomorrow. On Sunday, the ambassadors will rest, visit the Guarda La Vaca beach [words indistinct].

The ambassadors are primarily interested in seeing what is being done in this region. Above all, they are very interested in seeing the nickel plant. [end recording]

Lao Minister Sends Greetings to Leaders

FL1811223888 Havana Radio Reloj Network in Spanish 2036 GMT 18 Nov 88

[Text] Lao Deputy Prime Minister Sali Vongkhamsao has sent a warm greeting to the Cuban high authorities on behalf of the political leaders of his country. He also congratulated the Cuban authorities for their continuous demonstration of socialist internationalism.

The Asian nation's Politburo member said that, aside from the notable geographic distance between Laos and Cuba, their relations are closely bound by struggles and solidarity.

Vongkhamsao noted that Cuba has helped the Asian country in developing its cattle and agricultural industries, improving the health care and educational sectors, and in training Lao technicians—whose results have been very productive—in various fields.

The Lao minister also said that his country is interested in expanding relations with Cuba in the fields of economic cooperation, commerce, and technology.

GDR League of Friendship Leader Returns Home

FL1811220988 Havana Radio Reloj Network in Spanish 2032 GMT 18 Nov 88

[Text] Gerald Goetting, vice president of the GDR's Council of State and People's Chamber, returned home today after an official 6-day visit to Cuba.

Eva [last name indistinct], vice president of the Cuban Institute of Friendship with Peoples [ICAP], saw the German leader off at the terminal. (Peter Achman), advisor at the GDR Embassy was also present.

During his stay in Cuba, Goetting, who is also president of the GDR's League of Friendship Among Peoples, received the Medal of Friendship from Rene Rodriguez Cruz, president of the ICAP. Rodriguez gave Goetting the award on behalf of the PCC Council of State.

Goetting visited Santiago de Cuba Province and held meetings with leaders of the PCC and the Cuban Government. He also drafted a work agreement to increase the development of the ties between ICAP and the GDR League.

Ibero-American Education Official Arrives

FL2111194788 Havana Tele-Rebelde Network in Spanish 1800 GMT 21 Nov 88

[Text] Simon Romero Lozano, secretary general of the Ibero-American organization for education, science, and culture has arrived in Havana.

Romero Lozano will be one of the main participants in the First Ibero-American Conference on Education which will be held at the Palace of Conventions from 24-26 November.

[Begin recording] [Romero Lozano] The Cuban Government has graciously offered Havana to host the conference and it was unanimously accepted by all members of the organization's board of directors. Also, as of several months ago, Cuba has generously cooperated with the OEI [Ibero-American Bureau of Education] in organizing the conference.

You ask me, why Cuba? For me the answer is very clear. One of the reasons is the systematic association of education, work, and employment as part of Cuba's development policy and its sociopolitical, social, and economic structures.

[Reporter] Mr Romero Lozano, a few minutes ago you spoke to us about a general economic view of the Ibero-American countries. In this respect, what results do you hope to achieve at this first conference?

[Romero Lozano] We are trying to do just what the agenda says, to find strategic alternatives to face the problem. This is a meeting that can give define the situation. As a short-term goal, it would be beneficial if education took into account these elements and direct itself to contribute to its solution. However, we are mainly interested in long-term solutions. [end recording]

Socialist Architects Meeting Ends in Havana

FL1711191888 Havana Tele-Rebelde Network in Spanish 1200 GMT 17 Nov 88

[Text] Cubans need to overcome the challenge of repairing the old and growing at the same time. This was said by Pedro Chavez Gonzalez, member of the PCC Central Committee and first secretary of the Provincial Assembly of the People's Government in Havana. During the closing remarks of the 10th meeting of the head architects of socialist countries, the leader of the government in the capital said this statement developed from the visitors' recommendations to continue restoration and conservation [words indistinct] of new development areas by working on urbanization first and building with a comprehensive plan.

FAR Members Receive Medal for Bravery

FL2111150188 Havana Tele-Rebelde Network in Spanish 1200 GMT 21 Nov 88

[Excerpt] The Ministry of the FAR has given the Camilo Cienfuegos Award to Alfredo Leon Hernandez and the Calixto Garcia Medal of Valor to certain members of the Eastern Army who were involved in a heroic action.

Those comrades, with their timely and decisive action, went to the aid of fighter pilot Captain Roberto Corrales Chamiso. During combat readiness exercises, Capt Corrales crashed in the rural area of Alquizar, Havana Province and was trapped inside the burning cockpit.

Brigade General Ruben Martinez Puente, troop chief of DAAFAR, Antiaircraft Defense and Revolutionary Air Force, presided over the ceremony. [passage omitted]

Sugar Technicians Association Congress Opens

FL2211034288 Havana Television Service in Spanish 0100 GMT 22 Nov 88

[Text] The 45th congress of the Cuban Sugar Technicians Association [ATAC] began this afternoon at the Palace of Conventions. Once again, workers representing the sugar industry are holding this event jointly with the Second International Day for the Biological Struggle in the Growing of Sugarcane.

The congress will consist of five days of discussions and exchange of experiences for the search of a better and productive sugar agroindustry. The agenda for the congress was announced by Engineer Mario Muniz Consuegra, vice president of the ATAC. Muniz said that approximately 700 delegates and 180 guests are attending the event, and they will analyze 273 reports. There will also be eight round tables or workshops.

The opening speech was given by Oscar Almazan del Olmo, president of the ATAC.

[Begin Almazan recording] In these times of feats, we reaffirm to our party's leadership that our primary goal is to march ahead—determined, confident, and optimistic—as an integral part of this nation, on the right path, and with the guidance with our invincible commander in chief. Never, more so than today, in its 61 years of existence, can the ATAC express with greater vigor and plentitude its objectives. When the fruit of talent is an unselfish contribution to the welfare of all—in this beautiful pledge of working in a time of heroic struggle and creative effort—one can see a future, each time more brilliant, for the fatherland.

Welcome to the 45th ATAC Congress and my sincerest wishes for a successful job during these days. [end recording]

Over 3 Million Persons Tested for AIDS

FL1911134988 Havana Radio Rebelde Network in Spanish 0004 GMT 19 Nov 88

[Text] Over 3 million Cubans have been tested for AIDS, that is to say, 44.2 percent of the country's sexually active population. Speaking at the plenum of the Second International Seminar for Primary Health Care, Dr Hector Terry Molinet, Cuban vice minister for hygiene and epidemiology of the Ministry of Public Health, said that 272 zero positive cases have been detected.

In making a comparison between the United States and Cuba with regards to diseases which are preventable with (?vaccines), the vice minister said that although the United States began vaccine campaigns much earlier than Cuba, Cuba reports lower rates thanks to the great work of revolutionary medicine.

Bahamas

Teachers 'Not Satisfied' With Wage Increases

FL2111234488 Bridgetown CANA in English 1902 GMT 19 Nov 88

[Text] Nassau, Bahamas, Nov 19, CANA—Bahamian teachers on Friday marched, blocked the capital's principal business street, and suggested they might "test down" Parliament building if their demands for higher salaries and improved working conditions are not met.

The teachers on Friday received pay increases of between 400 and 1,100 U.S. dollars per annum - the amounts promised by deputy prime minister, Clement Maynard. However, President of the Bahamas Union of Teachers (BUT), Donald Symonette told the media that teachers are still not satisfied. "The government promised that we never agreed to that," Symonette said about the new increases. The union president said the BUT will have a series of meetings and rallies in an effort to "work out strategies" aimed at forcing government to meet teachers demands.

So far, BUT has made no overt calls for a strike but just nine days ago when over 400 teachers staged a march and demonstration downtown, BUT vice president, Brensil Rolle, said teachers "would do everything that needs to be done until the problem is addressed." Addressing the marchers later that day Symonette said the educators were "red alert."

After their march and demonstration, teachers gathered outside the BUT headquarters and were addressed by president of the Communications and Public Officers Union Keith Archer. Archer told the teachers that government was "taking advantage" of them because they were not "putting any money into the treasury." But, he said, teachers will get their way "even if we have to tear that (Parliament building) down to do it".

Jamaica

Private Sector May Build Oil Refineries

FL1611225288 Bridgetown CANA in English 2136 GMT 16 Nov 88

[Text] Kingston, Jamaica, Nov 16, CANA—Jamaica's energy minister, Hugh Hart, responding to critics of the government's deep involvement in the oil industry here, declared Wednesday that others were free to build oil refineries and to compete with the state-owned Petrojam.

Hart, denying a bid to control the sector, said too that any marketing company could import petroleum products once it could do it cheaper than Petrojam's parent company, the Petroleum Corporation of Jamaica (PCJ). "Although it is true to say that Petrojam is enjoying a de facto monopoly as the only refiner of crude oil in Jamaica, this is not so by edict, but by virtue of the fact that no other entity has chosen to build and operate other refineries in Jamaica, which anyone is fee to do, provided he meets reasonable criteria," the minister told a PCJ-sponsored seminar on the oil industry.

The Jamaica Government acquired the 32,000 barrels per day refinery in 1983 from Esso standard oil after both sides could not agree on profit margins to Esso at the expiry of a 20 year pact.

In recent months there have been strong criticism of the PCJ and Petrojam, particularly over the establishment of a marketing company, Petcom, to distribute LPG (cooking gas) and to operate service stations. Additionally, the PCJ has been slammed for the government's policy of keeping the retail prices of controlled petroleum products at the same level as before the oil market collapse of 1976. The administration said that some of the savings have gone in the subsidising basic foods for the poor and to ensure lower electricity rates to householders.

Industrial users did not benefit from the oil price fall.

Critics, however, claim that heavy taxes on oil petroleum products steers resources away from production, while the PCJ has almost exclusive control of petroleum imports guaranteed by its huge profits. In fact, some marketing companies have suggested that refined petroleum products could be brought into Jamaica and sold on the market here cheaper than current prices, even paying all the government taxes. But Hart seemingly dismissed any such suggestion, echoing past statements by PCJ officials.

Government has granted no exclusivity to Petrojam for the import of petroleum products, Hart told the seminar. "Any marketing company is free to do likewise, provided only that such supplies are obtained on more favourable terms than those provided by the Petroleum Corporation of Jamaica," he said.

Jamaica gets most of the domestic crude oil requirement from Mexico and Venezuela under the San Jose accord, which allows beneficiary countries to pay only 80 percent upfront for their supplies. The remaining 20 per cent is treated as medium to longer-term loans, at relatively concessional interest rates, depending on how the saving is invested. This arrangement is beneficial to foreign exchange strapped Jamaica.

Hart said that when Esso operated the refinery, the company was given "what was essentially a monopoly position", which was not offered to Petrojam.

Petrojams pricing, under a policy laid down by the Ministry of Mining and Energy, had to be competitive, Hart said. "This pricing policy states that product prices from the refinery must be no greater than the alternative of product imported from the cheapest available regional supply," the minister said.

The policy was adhered to, according to Hart. "For this reason, Petrojam is able to export its products into the regional market at prices competitive with the established multinational marketing companies," he said.

International Bauxite Meeting Begins

FL1611003888 Bridgetown CANA in English 2306 GMT 15 Nov 88

[Text] Kingston, Jamaica, Nov 15, CANA—The Council of Ministers of the International Bauxite Association (IBA) is holding its annual strategy session in Kingston, buoyed by robust recovery in the aluminium industry, but concerned that it was not being as strongly felt at the lower end of the sector. And there was at least one public suggestion for the IBA to develop a coherent pricing policy—an issue the 10-member IBA has in the past shied away from.

The Council of Ministers is the IBA's highest decision-making body and during the 5-day meeting hopes to draw up strategies to help members take advantage of the recovery in the aluminium industry. The ministers will also set the recommended price for bauxite and alumina.

The price of aluminium on the metal markets has been strong for more than a year now, coming out of the depression that hit the industry for most of the 1980's.

"For the aluminium industry ...we are witnessing the best of times," said Jamaica's Mining and Energy Minister Hugh Hart. "In nominal terms, prices have soared to levels they have never achieved since the commercial industry was established a hundred years ago."

The association's current chairman, Suriname's Natural Resources Minister Pretaap Badhakishun labelled 1988 as a "peak year in the international aluminium industry."

But Radhakishun cautioned IBA members to be wary of the cyclical nature of the industry and like Jamaica's, underscored the fact that bauxite and alumina producers have not reaped the same benefits as the aluminium producers.

Bauxite is the ore from which aluminium is derived after it is first refined to alumina.

IBA members account for about 75 per cent of the world's bauxite production and up to 30 per cent of the alumina output. But association members have very little smelting capacity.

"Spot prices for aluminium have reached unprecedented hights. Likewise, it may be noticed that prices never before showed such strong fluctuations within such a short period of time," the IBA chairman noted.

Primary aluminium ingot is now being quoted on the London metal exchange at nearly a dollar a pound, but at one point during the recovery it had reached in the region of two dollars.

"The returns on crude bauxite have not ... kept pace with the improvements in other sectors of the industry," Hart told the meeting. "This is due to over-capacity and over-production in this sector for a variety of reasons."

IBA members have benefitted from their alumina sectors where on medium-to long-term contracts they fetch between 150 and 200 dollars a tonne. And according to Hart, "on spot market, where available, quotations in the order of 450 dollars have been heard on the street."

"Notwithstanding the relatively lower returns to bauxite and alumina producers, it is fair to say that the industry is presently in good health and certainly better than it was over the last few years," the Jamaican mining minister said.

"Careful and deliberate management of the supply and demand and inventory aspects of the industry are going to be needed to avoid the errors of the past which led to such grief within recent times," he added.

Though Hard did not spell it out, among the issues he clearly had in mind is the so-called take-or-pay contracts that many IBA bauxite/alumina suppliers entered into in the early 1980's to ensure market share even at the expense of other members and the overall good of the industry.

But Suriname's Radhakishun was explicit in his call for a definitive pricing policy by the IBA to ensure a fair return for their resources.

"For the fair and reasonable exploitation, process, and marketing of bauxite and its products, a pricing policy is unavoidable," he said. But, Radhakishun stressed that a pricing policy should neither be harmful to any member country nor be in violation of their laws.

"My suggestion is, therefore, that the historically taken views with regard to a pricing policy be re-assessed in the respective government headquarters," he said.

Established in 1974 at the initiative of Jamaica, the IBA had hoped to emerge as a strong producers cartel similar to the Organisation of Petroleum Exporting Countries (OPEC). Under pressure from the transnational aluminium companies, differences in perspective among its members and with non-members willing to by-pass it for investment to open their industry, the IBA was largely developed as a paper tiger. It annually sets its recommended selling price, but officials concede that contracts entered by member countries usually fall well below these after all the discounts and other arrangements were calculated.

Radhaskishun alluded to the fact that members often did not live up to the commitment of the IBA's charter to share information on their industries.

"In matters of specific information on cost and prices, we often have to use and rely upon information furnished by so-called independent analysts and operating companies," he lamented. "This can be dangerous, especially in imperfect markets, as the bauxite and alumina markets where we have a limited number of factors."

In such markets, the Surinamese minister said, misinformation may lead to irrational pricing "which brings about temporary gains for some producers but which, on the other hand, may cause unsatisfactory prices for all other producers."

"I think that this is the main reason why the average price for bauxite is still depressed despite the fact that good prices are realised for aluminium and to some extent for alumina," Radhakishun declared.

He called for a strengthening of the IBA, both in terms of its information-sharing capacity and to bring in new producer members, especially Brazil and Venezuela. Brazil currently sends observers to the IBA.

The present IBA members are: Australia, Ghana, Guinea, Guyana, India, Indonesia, Sierra Leone, Suriname, Yugoslavia, and Jamacia.

Trinidad and Tobago

Robinson Says CFF Application Approved

FL2111232788 Bridgetown CANA in English 1817 GMT 19 Nov 88

[Text] Port-of-Spain, Trinidad, Nov 19, CANA—Trinidad and Tobago's application for help to offset dwindling resources from its key petroleum product was approved Friday by the International Monetary Fund (IMF), according to Prime Minister A.N.R. Robinson.

Robinson was quoted by the Trinidad Guardian as saying that he received news late Friday that the funds board had approved this country's application for help through the Compensatory Financing Facility (CFF) window. Earlier on Friday, Robinson had told Parliament the application was before the board that day. The Trinidad leader also announced that this country has applied for a 14-month standby programme with the IMF.

According to the Guardian, Robinson received the news on the successful CFF approval from one Trinidadian born IMF official, Gerry Hospedales. "This is extremely good news in this period where we are trying to turn around the economy," said Robinson, who earlier had announced agreement from international bankers to reschedule the commercial part of the country's foreign debt. "I am extremely pleased with this development and this will give a tremendous boost to our economic programmes," Robinson said.

Trinidad and Tobago expects to access TT470 million dollars (one TT dollar : 23.5 U.S. cents) under the CFF application before year end. "A sizeable part of the resources from the CFF will be allocated to strengthening the central banks foreign reserve position which has for some time been cause for considerable concern," Robinson told parliament on Friday.

President Reviews Agricultural Accomplishments

PA2011143588 Mexico City EL NACIONAL in Spanish 15 Nov 88 p 3

[Report by Arturo Gomez Salgado]

[Text] The supply of basic goods for national consumption, the reduction of imports from 10.6 to 6.8 million tons, and a surplus in the agricultural sector's balance of payments are the principal achievements of the agricultural cabinet during the present 6-year term.

At yesterday's evaluation meeting of the agricultural cabinet at Los Pinos Presidential Palace, President Miguel de la Madrid emphasized the matters demanding the cabinet's greatest attention were guaranteed prices, the national balance of payments, production, consumption, financing, and the national agricultural, forestry, and agroindustrial program.

He said in this respect that guaranteed prices represented one of the principal instruments of the state's economic policy to stimulate agricultural activity, determine the crop program, and regulate the relations between farmers and the rest of the economy.

De la Madrid said other important decisions made by the agricultural cabinet during his administration permitted the supply of basic products and a large reduction in grains and other food imports from 10.6 million tons in 1983 to 6.8 million tons in 1988.

A positive balance of payments was achieved in the agricultural sector.

At this meeting, De la Madrid recognized the fulfillment of the basic functions assigned to the agricultural cabinet: coordinating policy decisions that are the responsibility of one secretariat but affect others, and reconciling intersecretarial actions to define, implement, and follow up agriculture policy and strategy in agriculture, livestock, forestry, and agro-industrial departments.

He said the work done was directed at solving problems and taking actions to strengthen the structural change of the sector within the framework of the National Development Plan and the Integral Rural Development Plan.

Finally, he recognized the institutional effort made at every level of the sector's public administration and expressed confidence that this type of interinstitutional mechanism, adjusted and improved according to the current circumstances, will continue to provide solutions to the sector's problems.

Cardenas: No Stopping Transfer of Power

PA2211001688 Mexico City XEW Television Network in Spanish 1600 GMT 20 Nov 88

[Text] Cuauhtemoc Cardenas Solorzano, former National Democratic Front presidential candidate, says he is not planning to prevent or to try to impede the transfer of power on 1 December 1988. At a rally at Mexico City's Zocalo Plaza, Cardenas Solorzano appealed to the groups that comprise the movement to refrain from staging any acts of violence. The rally was attended by members of the Cardenist Front for National Reconstruction Party, the Authentic Party of the Mexican Revolution, the Popular Socialist Party, and the Mexican Socialist Party.

21 Deputies Begin Fast

PA1811154088 Mexico City XHTV Television in Spanish 0200 GMT 18 Nov 88

[Text] Twenty-one deputies of the Cardenist Front have begun a hunger strike in the Chamber of Deputies. They are protesting the alleged violation of the constitutional rights of Federal Deputy Manuela Sanchez and two local deputies who, they charge, were attacked in Cardenas, Tabasco State, by the local police on 2 November.

They announced they will continue their hunger strike inside the legislative chamber until Humberto Manan Canabal, secretary general of government [not further identified]; Ruben Dario Vidal, municipal president of Ciudad Cardenas; and Wilfredo Robledo Madrid, commander of the Tabasco State Public Security Directorate, are dismissed.

Planning Secretariat Reports 3d-Quarter Figures

PA2111193688 Mexico City EXCELSIOR in Spanish 19 Nov 88 p 43-A

[Summary] According to a report issued by the Mexican Planning and Budget Secretariat, the public sector's foreign debt registered a net 2.1-billion-peso reduction during the 1st 9 months of 1988. The report adds that the country's main surplus totaled 27.8 billion pesos at the end of the same period.

The 3d-quarter report adds that the inflation rate continued to decrease, from 1.7 percent in July to 0.6 percent.

The report also said the government's financial deficit totaled 33.8 billion pesos at the end of the 1st 9 months of 1988.

Regarding the budget surplus, the report says it increased to 27 billion pesos during the 1st 9 months of 1988, a figure that represents a 15.6-percent increase compared to the surplus registered during the same period last year.

Trade Official Reports 8-Month Drop in Surplus
PA2111184888 Mexico City EXCELSIOR in Spanish 18 Nov 88 pp 5-A, 40-A

[Summary] Mexican Deputy Foreign Trade Secretary Luis Bravo Aguilera said yesterday the Mexican trade balance surplus dropped 41.1 percent during the 1st 8 months of 1988 compared to the same period last year. Aguilera added the reasons for the drop are the drop in oil prices and the increase of imports.

Social Sector Acquires 34 Sugar Mills
PA1811214488 Mexico City Red Nacional 13 Imevision in Spanish 1955 GMT 17 Nov 88

[Excerpts] Jesus Gonzalez, president of an association formed by owners of small sugar mills, announced today 34 sugar mills have been sold to the social sector [sector social]. He said the small owners have retained four mills. [passage omitted]

Gonzalez said the social sector will now produce 15 percent of the total sugar production; the traditional sector, 20 percent; the federal government, 30 percent; and the private sector, 35 percent. [passage omitted]

Official Reports Parastate Industrial Exports
PA1611164488 Mexico City EXCELSIOR in Spanish 14 Nov 88 pp 5-A, 9-A

[Summary] Federico Mariscal Stephens, general director of international transactions of the Energy, Mines, and Parastate Industry Secretariat, reported yesterday that January-August, the nonpetroleum parastate industrial sector exported products worth $751 million. He said the mining, iron and steel, and sugar industries registered the highest exports. He added that $146-million worth of sugar has been exported.

Mexican Democratic Party Elects President
PA1511174688 Mexico City EL NACIONAL in Spanish 14 Nov 88 p 2

[Summary] Victor Atilano Gomez was elected president of the Mexican Democratic Party, PDM, at its 10th Congress yesterday. He said the PDM should really represent the Mexican Christians, not special interest groups.

Official Results: PRI Wins Tabasco Governorship
PA1711001388 Mexico City EXCELSIOR in Spanish 14 Nov 88 pp 1-A, 26-A

[Report by Aurelio Ramos; all figures as published]

[Excerpts] Villahermosa, Tabasco, 13 November—The official vote count in the governorship election, which took place last Wednesday, has concluded. According to official results, PRI obtained 77.91 percent of the votes and the FDN [National Democratic Front] received 21.18 percent. Absenteeism among the 680,000 eligible voters was 62 percent.

The FDN candidate, Andres Manuel Lopez Obrador, has reiterated his call for the nullification of the elections and has issued a communique to that effect. Meanwhile, PRI has stated that it obtained "an unobjectionable victory," and affirmed that "the people of Tabasco have voted in favor of Carlos Salinas de Gortari's government plan; a plan that will be implemented as of January by the man elected to be governor of this state, Salvador J. Neme Castillo." [passage omitted]

PRI received 197,500 votes and the FDN 55,957.[passage omitted]

U.S. Ship Detained for Illegal Fishing
FL1511225588 Mexico City NOTIMEX in Spanish 0203 GMT 15 Nov 88

[Text] Mexico City, 14 Nov (NOTIMEX)—The Mexican Navy has detained the U.S ship, "Sacred Heart," for illegally fishing for shrimp in Mexican waters. The shrimp boat was detained by the GH-05 white coast guard ship of the Mexican Navy during a vigilance and protection operation.

The U.S. ship was caught east of the Las Vacas Canal in the State of Tamaulipas with more than half a ton of shrimp in its nets.

It was reported that the two ships arrived at Tampico port where the U.S. ship was placed at the disposition of the appropriate authorities.

In conclusion, it was reported that vigilance operations for the protection of maritime resources has been increased during the past few months. This has considerably minimized illegal fishing, as well as maritime drug trafficking.

Kidnapped Japanese Industrialist Released
PA1311042988 Mexico City Red Nacional 13 Imevision Television in Spanish 0130 GMT 13 Nov 88

[Text] The relatives of (Jorge Sekibuchi) paid $600,000 for the release of the Japanese industrialist, who returned home this morning. After being kidnapped for 72 days-,(Jorge Sekibuchi) is recovering at a family farm from the ill treatment he received from his abductors. The details of his kidnapping will be released on Monday.

For its part, the Federal Judicial Police announced it is in close contact with the Federal Highway Police and the states that border Mexico City in search of the culprits.

6-Year Antidrug Campaign Results Announced
PA2111183188 Mexico City EXCELSIOR in Spanish 19 Nov 88 pp 5-A, 45-A

[Summary] Just 13 days before the end of the Miguel de La Madrid administration, the Attorney General's Office reported the results of the campaign against drug trafficking in the past 6 years. The report states that over 35,000 kg of cocaine and 9,648,810 kg of marijuana were

confiscated. In addition, 164,994 poppy seed plantations covering 15,520 hectares and 140,130 marijuana plantations covering 18,967 hectares were destroyed. The Attorney General's Office discovered and dismantled 47 drug laboratories.

Seized Drugs Burned

PA1611165388 [Editorial Report] Mexico City XHTV Television in Spanish at 0200 GMT on 15 November broadcasts approximately 8 minutes of reports on the burning of confiscated drugs in various Mexican cities.

The first report indicates that at the Defense Secretariat in Mexico City, President Miguel de la Madrid today headed the ceremony to burn 9,000 kg of pure cocaine, "the biggest amount of cocaine confiscated and burned in Mexico's history."

According to a report from Nuevo Leon, Monterrey, military authorities burned 500 kg of marijuana in a ceremony attended by 6th Military Zone Commander Maurilio Falcon.

In a report from Guadalajara, Jalisco, station correspondent Salvador Chavez states that more than 4 tons of drugs were burned on 14 November in the Sapopa Air Base. Providing a breakdown of the drugs, Chavez reports that "3.958 tons of marijuana, 17 kg of poppy, 1.5 kg of poppy paste and marijuana and poppy seeds were burned." The reporter adds that "ceremonies similar to this one were held in several cities with the culmination of one of the phases of Operation Jaguar, which is being carried out by the Mexican Army."

Reporting from Ciudad Juarez, Chihuahua, an unidentified station correspondent states that "2,500 kg of marijuana and 1 kg of seeds were burned today at the 26th Infantry Battalion." He adds that in the ceremony, Colonel Jesus Humberto Martinez Rodriguez reported that in the past few days, "225 marijuana plantations covering 800 hectares were destroyed in various operations in Chihuahua."

'Pacifico IX': 3,654 Arrested

PA1811223188 Mexico City UNOMASUNO in Spanish 17 Nov 88 p 12

[Summary] The Mexican Comptroller General's Office has released a report on the special "Pacifico IX" anti-drug operation that began 10 weeks ago. According to the report, 3,654 alleged drug traffickers have been arrested; 5,195 poppy and 2,553 marijuana plants have been destroyed; 1,313 kg of cocaine, 13,702 kg of dry marijuana, 47.7 kg of marijuana seeds, and 38 kg of poppy derivatives (morphine and heroin) have been seized; and 160 vehicles, 1 plane, 153 weapons, and 2,390 ammunition rounds have been confiscated.

The "Pacifico IX" operation covers the states of Sinaloa, Nayarit, Jalisco, Michoacan, Guerrero, and parts of Sonora, Durango, Chihuahua, and Chiapas.

Cocaine Confiscated in Sonora

PA2111201188 Mexico City EXCELSIOR in Spanish 18 Nov 88 pp 5-A, 23-A

[Summary] The Federal Judicial Police [PJF] confiscated 1,696 kg of pure cocaine worth over $1.6 million at km 118 of the Hermosillo-Santa Ana road in Sonora. The drug was hidden in a truck carrying 17 tons of peanuts that were to be delivered to the supply center in Tijuana, northern Baja California. Only the truck driver was arrested, but the PFJ commander in Hermosillo said the police are searching for one of the drugs' owners.

Belize

1,000 More People Granted Refugee Status

FL1811171088 Bridgetown CANA in English 1545 GMT 18 Nov 88

[Text] Belmopan, Belize, Nov 18, CANA—About 1,000 people have been formally granted refugee status in Belize, mostly from El Salvador, Nicaragua and Ghana, according to a senior United Nations official.

Tomas Paquete, of the Belize office of the UN High Commissioner for Refugees, said that about 700 of the 1,000 came from El Salvador, currently torn by internal strife between government and left-wing insurgents of the Farabundo Marti Liberation Front.

Paquete was unable to offer a precise figure on the number of displaced persons now in Belize seeking refugee status, estimating that the figure could be anywhere between 100 and 1,000. Until they are granted refugee status, they are classified as illegal immigrants.

Meanwhile, government has presented proposals to the UN Development Programme (UNDP) for eight million dollars (U.S.) in assistance for refugees here. The UN General Assembly has directed the UNDP to prepare a 264-million-dollar package for social and economic assistance to Central America, ravaged by a decade of civil war and insurgency, and long-standing, often stubborn economic problems.

Costa Rica

Madrigal Views Nicaragua Stance on ICJ Suit

PA2011132488 Paris AFP in Spanish 0056 GMT 19 Nov 88

[Excerpts] San Jose, 18 Nov (AFP)—The Costa Rican Government was surprised by Nicaragua's refusal to withdraw a suit filed against Honduras at the International Court of Justice (ICJ) to facilitate the thawing of the Central American peace process.

"This contradicts what Nicaraguan Vice Foreign Minister Victor Hugo Tinoco said 48 hours before at the OAS (meeting in San Salvador), which was that they were willing to withdraw the suit," Costa Rican Foreign Minister Rodrigo Madrigal stated today in San Jose.

Costa Rica proposed Tuesday at the OAS that an international civilian force control the borders between Honduras and Nicaragua and El Salvador. [passage omitted]

In a communique released today, the Nicaraguan Foreign Ministry stated that the continuation of the suit at the ICJ is "Honduras' responsibility" and at the same time termed "inappropriate, inopportune, and unwarranted" that this country or other governments "continue to demand or even speculate about a withdrawal of the suit (by Nicaragua)."

Madrigal said that Managua's new position could be the result of "differences of opinion" in government circles.

For his part, the Costa Rican foreign minister said that in San Salvador he confirmed the region's foreign ministers' "satisfaction" with the proposed establishment of a civilian force on the Honduran border.

The five foreign ministers agreed to meet in Mexico on 29 and 30 November to invigorate the Esquipulas II peace plan and to pave the way for the Central American presidential summit in January.

Madrigal said that he does not know of an official response by the anti-Sandinist rebel groups or Salvadoran guerrillas to his government's initiative, but he said the proposal "was conceived giving equal consideration to the interests of those groups" and designed so that it would not clash with a series of contacts that the Costa Rican Government has maintained with the rebels of El Salvador and Guatemala.

Madrigal said that Costa Rica continues to favor a new dialogue between Latin America and the United States, which could also strengthen the role of the OAS.

Government Expands Maritime Jurisdiction

PA1811234988 San Jose LA NACION in Spanish 11 Nov 88 p 4-A

[Report by Armando Mayorga]

[Excerpts] Costa Rican Foreign Minister Rodrigo Madrigal yesterday announced that the government has decreed a new territorial demarcation, expanding Costa Rica's jurisdiction over the Pacific Ocean by 8,500 sq km. The country's Pacific maritime territory is now based on imaginary lines joining the outermost points of the coast. The principle of 12 miles from the beach will apply where this is not applicable. Costa Rica is fully sovereign over these areas.

This decree will be published in the gazette on 21 or 22 November, Madrigal said.

Deputy Foreign Minister Carlos Rivera said the measure has been taken to expand the territory covered by Costa Rica's sovereignty and obtain more economic profit from the sea. He said many countries have taken a similar step.

The decision has been reported to the United Nations so the International Seabed Authority [Secretariado del Mar] can be notified. Costa Rican embassies have also been notified. It has been reported that this decision does not require any prior consultation or approval by any international tribunal. [passage omitted]

Madrigal also said this decision abides by international law and does not affect the tuna fish agreement, which has not yet come into force because Panama and El Salvador have not yet ratified it.

Rivera explained that the area included in the new jurisdictional waters will be considered for eventual prospecting for oil by the Costa Rican Oil Refinery, RECOPE.

He also said that sailing and fishing in these areas defined as territorial waters will be permitted with prior authorization as before.

1988 Government Deficit 'Larger Than Expected'

PA1911004388 San Jose LA NACION in Spanish 14 Nov 88 p 8-A

[Summary] Costa Rican Finance Minister Fernando Naranjo has said the 1988 government deficit will be larger than expected. He said the deficit will be approximately 6.5 billion colons, which represents 2 percent of the country's GNP.

Naranjo added that the reason for the deficit increase is a decrease in revenues and an increase in salaries, expenditures, and retirement pensions.

According to Naranjo's figures, in the first 10 months of 1988 Costa Rica paid 3.8 billion colons for the servicing of its internal debt.

Cumulative Inflation Rate Reaches 18.5 Percent

PA2011140188 San Jose LA REPUBLICA in Spanish 12 Nov 88 p 2

[Summary] Deputy Economy, Industry, and Commerce Minister Sandra Piszk reported yesterday that the consumer price index rose 3 percent in October, bringing the cumulative rate of inflation to 18.5 percent for the period from January through October 1988.

The rise in the consumer price index was attributed to the effects of the weather on seasonal, perishable foodstuffs such as potatoes, tomatoes, and other green vegetables.

The deputy minister said that the price increases were temporary, adding that rainfall in August had been above normal. Damage to crops caused by Hurricane Joan was expected to affect the price of vegetables in November.

In February of this year the consumer price index recorded its highest level this year, 3.82 percent. The October index was the second highest thus far in 1988.

El Salvador

Rivera y Damas on OAS Session, Elections

PA2011171888 San Salvador La Voz Panamericana in Spanish 1400 GMT 20 Nov 88

[Homily by San Salvador Archbishop Msgr Arturo Rivera y Damas at Metropolitan Cathedral in San Salvador—live]

[Excerpt] [Passage omitted] After the flood of news resulting from the holding of the OAS General Assembly in this capital, there is hope that such an important continental forum will find new paths. The San Salvador document talks about a new image, which entails new objectives by the continental organization.

We are happy the Central American problem was addressed at the San Salvador meeting, because the OAS is the necessary forum to open paths to peace on this continent. Two interesting events took place while the OAS delegates were here: the peace march organized by the permanent committee for the national debate and the unilateral cease-fire announced by the FMLN. I think the most positive aspect of the march was its peaceful character, which is reason for joy for those of us who believe in the possibility of promoting the achievement of peace through nonviolence. As for the guerrilla cease-fire, within the precariousness of an unilateral measure it was a respite that showed that reason can prevail.

Nevertheless, violence was present on Salvadoran soil, stained with the blood of 20 dead countrymen killed in combat. Our legal assistance office has also learned about the unfortunate case of three peasants who died in Yamabal, Morazan Department. The available information implicates members of the National Army in this action; we therefore believe a thorough investigation is necessary.

This is the panorama in which the legal period for electoral campaigning has begun in preparation for the March presidential elections. There will be occasion for future comments on the development of this process and the candidates' positions on the nation's fundamental problems. For now, we only express our hope that the promises made for a serious, respectful, and in-depth campaign will be kept. Of course, we are particularly interested in learning about the proposals to achieve peace. The conclusions reached at the national debate could be indicative. In addition, in his speech to the Salvadoran bishops who visited him at the Vatican, the pope provided views our politicians should carefully consider. According to the pope, a reconciled and just country can only be achieved with everyone's joint effort. This also entails a spirit of solidarity, willingness to hold a dialogue, rejection of an arms buildup, commitment in favor of justice, and the promotion and development of the common good. In addition—and this is, above all, the responsibility of those of us who are

pastors—it entails recognition of the fact that no violence can be accepted as a solution to violence and that the path to solve any disagreement must necessarily include the conversion of hearts. [passage omitted]

Electoral Council Registers MAC Party

PA1811134088 Paris AFP in Spanish 0537 GMT 18 Nov 88

[Text] San Salvador, 17 Nov (AFP)—Former Salvadoran Culture Minister Adolfo Rey Prendes today announced that the Central Electoral Council [CCE] approved the creation of the Authentic Christian Movement (MAC), which was formed by dissidents of the ruling Christian Democratic Party [PDC].

Rey Prendes, former minister of President Jose Napoleon Duarte's administration, heads a group of dissidents, including 10 deputies, who left the PDC in August.

On Tuesday and Wednesday, members of the MAC peacefully occupied the CCE offices to pressure it to legally register the party.

"We are ready to participate in next year's presidential elections," Rey Prendes said at the end of the registration process.

"We will proceed as soon as possible to hold a convention to elect the party's leaders and to select our presidential and vice presidential candidates," he added.

'Subversives' Reportedly Trained at University

PA1911163688 San Salvador DIARIO DE HOY in Spanish 16 Nov 88 pp 2, 51

[Text] A man arrested by the National Police today revealed that the PRTC [Revolutionary Party of Central American Workers], one of the five terrorist groups that comprise the FMLN-FDR and which was responsible for the deaths of several U.S. citizens in what is known as "the Zona Rosa massacre," is training subversives on the El Salvador National University [UES] campus.

Manuel de Jesus Amaya Renderos was arrested in El Amate Canton, Zacatecoluca, for illegal possession of weapons. Amaya said he is a member of the "Juan Castro" Urban Command. Amaya Renderos also said he was trained in the use of weapons on the third floor of the School of Chemistry at the UES.

In his unofficial statement, Amaya Renderos said he was recruited in January by terrorist leaders "Jose" and "Erick," who took him to the headquarters of the Committee for the Fired and Unemployed [Comite de Despedidos y Desempleados] (CODYDES) where he joined the "Urban Command."

Amaya Renderos singled out Balmore Arevalo, alias Erick, as leader of the Juan Castro Urban Command. According to Amaya, Erick advised him to use an alias for security reasons. Amaya was given two aliases to use, "Moris" and "Santos," depending on the area where he was working. Amaya said he is currently a squad leader and that he was given this title by a man called "Santiago." Seized at the time of Amaya Renderos' arrest were a machinegun with two clips; two 9-mm pistols; a Hungarian-made pistol, clips, and ammunition; and a bandana.

Amaya also said that at first he received 200 colones a month for participating in terrorist actions. Later, he was paid 500 colones to pose as an unemployed person. He has stolen cars in the UES area, placed bombs in telephone junction boxes in Cucumayan and Don Rua neighborhoods, and on the 10th of this month he had planned to destroy another telephone junction box near Venezuela Boulevard. Plans for future operations were also seized.

Amaya Renderos said he has been trained in the use of all types of weapons. Amaya is now in the custody of the Seventh Penal Court judge.

FMLN Criticizes Army Rights Violations

PA2011152488 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 20 Nov 88

[Communique issued by the FMLN General Command; date and place not given]

[Text] The FMLN General Command informs our people and the international community of the following: On 10 November, FMLN forces clashed with Treasury policemen at Mirasol Farm, San Salvador Volcano, Quezaltepeque Jurisdiction. One of our comrades was killed in that clash. After the fighting, enemy units, demonstrating their moral breakdown, beheaded the corpse of poet Alfonso Hernandez, Comrade Gonzalo.

This inhuman and cruel deed indicates that the recent change in command within the Salvadoran Armed Forces will immediately lead to increased human rights violations, brutality, and despair within the Army and the repressive corps because of the unstoppable advance of the FMLN's military offensive. This offensive is already posing a threat to the country's major cities and capital.

While providing a distorted account of the clash for propaganda purposes, Colonel Rene Emilio Ponce, chairman of the Joint Chiefs of Staff, unleashed a far-reaching plan of psychological warfare. This plan includes the following:

1. Announcing a purported seizure of FMLN's internal documents. The clear objective is to implicate persons and organizations whom the top command regards as a threat to the implementation of the Armed Forces' plans.

2. Justifying before foreign ministers who attended the 18th OAS General Assembly the operation to militarize San Salvador and neighboring cities and preventing the

people from speaking to the visitors and revealing the true situation in the country, which is that the democratic regime, which the regime has vaunted for many years, does not exist.

3. Trying to downplay the importance of the FMLN's political decision to decree a 5-day unilateral truce and to cover this dictatorship's political and military weaknesses. This dictatorship cannot decree a similar order. Although Archbishop Arturo Rivera y Damas requested the truce, Col Ponce flatly rejected it.

4. Accusing the National Debate Permanent Committee of organizing a movement to seek a negotiated political solution as part of the FMLN plan. The remarks by the general staff and Coprefa seek one thing: to keep the OAS General Assembly from condemning the U.S. Government's meddling in our country, the Salvadoran Government's refusal to seek a negotiated solution to the conflict, and the growing deterioration in human rights. The open provocation against the National University on 16 November confirms that Col Rene Emilio Ponce ordered his units to cause a confrontation with the popular movement as part of an escalation of repression. The purpose of this order is to prevent greater demonstrations against the serious economic and political crisis the counterinsurgency plan has brought to the country.

The FMLN General Command condemns the barbaric actions perpetrated by the enemy military forces. It hold Col Ponce responsible for the incidents that happened, and in the future [passage indistinct].

'High-Level' FMLN Delegation Tours Europe

PA1811201988 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Nov 88

[Text] An FMLN General Command delegation is touring Europe. A high-level FMLN diplomatic delegation is currently in Europe making contacts with important political personalities and organizations with links to European governments.

The delegation is made up of Commanders Shafick Handal and Ferman Cienfuegos, who are both members of the FMLN General Command. On 15 November, they met with a representative of the Politburo of the FRG's [as heard] Socialist Unity Party. In this meeting they discussed the need to promote a political solution to the Central American conflict. The two sides agreed on the need to take positive steps toward that goal.

This European tour comes after another FMLN delegation held official meetings with the governments of five Latin American countries.

FMLN Reports Reports 18-20 Nov Activities

PA2111161788 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 21 November carries approximately 34 minutes of war reports.

The first report indicates a subregional maneuver has been initiated by combined FMLN forces in the Morazan and San Miguel Departments. At 1900 on 19 November, FMLN forces attacked a Military Detachment No 4 company near Osicala, Morazan Department. At 2045 the Army troops fled their positions, which were then occupied by the FMLN. The Army suffered 10 casualties in the attack and the FMLN seized 2 knapsacks, 7 grenades, 1 M-16 cartridge, 1 M-18A1 claymore mine, 1 cartridge belt with 100 M-70 cartridges, 2 (?tables), and 1 radio.

Another report says FMLN clandestine guerrillas "successfully" ambushed Lempa Battalion troops on 18 November with five claymore mines near Los Pozos, Usulutan Department, inflicting six enemy casualties.

Radio Venceremos reports that on 19 November, FMLN clandestine guerrillas conducted simultaneous actions in Las Palmas and San Fernando, Chalatenango Department, inflicting a total of nine casualties.

Another report states that on 19 November, FMLN units "successfully" ambushed Lempa Battalion troops who were patrolling the railroad section between La Norla Canton and San Marcos Lempa, Usulutan Department, inflicting "another six casualties on the enemy."

Radio Venceremos also reports that FMLN units attacked several cooperatives in San Vicente Department, destroyed one vehicle at 1100 on 20 November, and inflicted 16 casualties on the 6th Infantry Brigade.

The final report says FMLN units occupied Tejutla, Chalatenango Department, on 20 November and attacked Army troops with rifle fire and grenades, killing one soldier. The report concludes by saying FMLN units ambushed an Army patrol on the northern trunk highway near El Salitre on 20 November, inflicting five casualties.

Guatemala

Defense Minister Interviewed on Guerrillas

PA2211015588 Guatemala City Teleonce Television in Spanish 0400 GMT 21 Nov 88

[Interview with Defense Minister General Hector Gramajo by unidentified reporter at the National Mateo Flores Stadium on 20 November—recorded]

[Text] [Gramajo] I respect the views of those who criticize the law. It is, however, the obligation of the state to protect its citizens. I also respect our citizens' need to live in a climate in which they can develop, especially at this special time of the year. Businessmen are the ones who suffer the most because of this criminality that we are fighting.

The Armed Forces is acting in accordance with the law, its own regulations, and its institutional law enacted in 1972, which authorizes the Army to act as a police force when necessary.

[Reporter] What can you tell us concerning reports disseminated by the Guatemalan guerrilla movement's press agency about alleged attacks on the Rubel Santo oil pipeline?

[Gramajo] The truth is that those reports are absolutely false. We always regard those kinds of reports as part of the guerrillas' fantasies and plans. They simply want to make noise in Guatemala to obtain foreign solidarity from their foreign sympathizers. They want to appear active. Those reports are simply their usual exaggeration.

[Reporter] What is the current guerrilla situation in Guatemala?

[Gramajo] We have clearly stated in the last few months that the guerrillas are really small armed groups that are still sowing terror in the most remote areas of the country, including isolated hamlets. These groups have weak foreign contacts, although they do have a well-established propaganda system abroad to make people believe there is a war in Guatemala.

Police Arrest Wanted 'U.S. Terrorist'

PA1811184188 Panama City ACAN in Spanish 1817 GMT 18 Nov 88

[Text] Guatemala City, 18 Nov (ACAN-EFE)—An official source today reported that a suspected U.S. terrorist, wanted by Interpol and the U.S. Federal Bureau of Investigation, was arrested by the Guatemalan police.

Police Spokesman Carlos Chen told ACAN-EFE that "the U.S. terrorist," who was only identified as "Charles," was arrested by intelligence officers in a Guatemala City hotel yesterday.

The source added that explosives were found in the possession of the 55-year-old U.S. citizen, who is suspected of having planned to "use them in attacks on public buildings" in this capital.

The Guatemalan police said "Charles" arrived in Guatemala 15 days ago, but they did not specify where he was coming from or his specific mission in Guatemala.

The police turned the U.S. citizen over to the Army, which will provide details of the actions he would have allegedly carried out against public buildings.

Army Presents Suspected 'Cuban Spy' to Press

PA1911032188 Paris AFP in Spanish 0008 GMT 19 Nov 88

[Text] Guatemala City, 18 Nov (AFP)—Guatemalan military authorities today presented to the press an alleged Cuban "spy" who was arrested last Tuesday in Escuintla Department, 54 km south of the capital.

Colonel Luis Isaacs, the Armed Forces public relations chief, said that the alleged secret agent was arrested after it was confirmed that he did not have any identification papers.

He added, however, that the alleged spy "was carrying several documents showing his repudiation of democratic systems and his ideological affinity for totalitarian systems." The suspected spy "said his name is Lazaro Mayor Diaz and that he is a U.S. citizen."

The Army delivered to the press copies of the documents the detainee was supposedly carrying at the time of his arrest, according to which he was born in Havana, Cuba, on 2 December 1958 and that he moved to the United States.

In addressing journalists, the prisoner denied all the charges of espionage and totalitarianism made against him by the Army. Meanwhile, Col Isaacs said that if the detainee's U.S. nationality is confirmed, the U.S. Embassy will have to make the necessary arrangements to deport him to the United States.

Congress Debates, Approves 1989 Budget

PA1911004588 Guatemala City Cadena de Emisoras Unidas in Spanish 0100 GMT 18 Nov 88

[Text] A few minutes ago, the Guatemalan Congress plenum approved the 1989 budget after a 7-hour discussion.

The 14 articles included in the draft budget presented by the executive branch were approved by Resolution No 70-88.

Two or three representatives above the required quorum were present to finally approve the 3.64-billion-quetzals budget.

The opposition deputies left the Christian Democrats alone for the final approval of the draft budget articles. After a prolonged third-debate discussion of the draft budget, the opposition decided to leave the ruling party faction and some of its sympathizers alone in the plenum.

At the end of the third debate, 56 nominal votes were cast in a quorum of 72 deputies. German Chen, Salvador Acevedo, Sara Marina, Pedro Murillo, Nicolas Salguero, and Hector Aragon voted along with the ruling party.

Netherlands Donates Money for Education

PA1911223588 Guatemala City Cadena de Emisora Unidas in Spanish 0100 GMT 19 Nov 88

[Excerpt] Education Minister Ricardo Gomez Galvez said on his return from a trip to Europe that the Netherlands Government has donated 4.5 million quetzals for educational programs. He said that the donation will be invested in improving education and modernizing the curriculum. [passage omitted]

Honduras

Protocol on U.S. Bases 'Will Be Signed Soon'

PA1611215488 Tegucigalpa LA TRIBUNA in Spanish 15 Nov 88 p 2

[Text] Defense Minister Colonel Wilfredo Sanchez announced yesterday that Protocol III of the military treaty with the United States, which has been in effect since 1954, permitting the United States to build permanent installations in Honduras, will be signed soon. Col Sanchez is negotiating the protocol on behalf of the executive branch.

The high-ranking officer commented that what has occurred is that there have been various interpretations of statements, causing suspicion and erroneous ideas.

Col Sanchez reiterated that when one refers to permanent bases, one means that whatever is built will continue to be used by the Honduran Government and will not be temporary.

He mentioned, as an example, infrastructure such as bridges, buildings, and roads.

President Jose Azcona has stated that the protocol will be signed. Meanwhile, Foreign Minister Carlos Lopez Contreras has clarified remarks that the National Party Central Committee had attributed to him in the sense that the protocol had been rejected.

Lopez Contreras said the negotiations had been recessed while waiting for the United States to reply to a Honduran observation.

According to Col Sanchez' statement yesterday, the negotiations have apparently resumed and Protocol III will shortly be signed so as to be immediately sent to the National Congress.

Editorial Criticizes Accord

PA1911182888 San Pedro Sula TIEMPO in Spanish 16 Nov 88 p 6

[Editorial: "The Chain of Signatures for the Surrender/Occupation Has Begun"]

[Text] The U.S. Government and the Honduran Armed Forces have begun to sign a series of military agreements and other agreements allegedly to fight drug trafficking. U.S. Ambassador Everett Briggs and Defense Minister Colonel Wilfredo Sanchez, in a truly significant—and undoubtedly very special—ceremony, met at the Foreign Affairs Ministry to sign the documents, which is something that would normally be signed by the Foreign Affairs Ministry.

A phrase in the communique that officially reported this event is very notable: "To the extent that is deemed advisable, the two parties will negotiate legal instruments or will use the existing ones, such as extradition and mutual legal assistance treaties, to eliminate drug trafficking."

The Honduran Constitution does not allow the extradition of nationals. This is a sensitive aspect that should be negotiated by people prepared for this task who should also be capable of protecting our country's interests and sovereignty.

The words of Colonel Sanchez, the Honduran Armed Forces representative, were very moving when he referred to the effects of drug trafficking. He said it has hurt the country to the extent that it has become a threat to Honduras' "political model."

If we are to believe publications such as the book "Out of Control: The History of the Reagan Administration's Secret War in Nicaragua, the Illegal Gunrunning, and the Contra Drug Connection," by Leslie Cockburn, then it is true that the Honduran defense minister recently served as the link between the Honduran Army and the "contras." There are many rumors to the some contra involvement in such activities.

On the other hand, the statement by U.S. Ambassador Briggs—who was "extremely pleased"—that it was President Jose Simeon Azcona Hoyo "who took the initiative to reach this agreement between our governments" was quite impressive.

"It was President Azcona who proposed, during a visit about 3 months ago, to make an arrangement, a comprehensive agreement, and we are glad about this; this has brought us tremendous satisfaction. Through a very big effort, the two governments have been able to reach this understanding in a relatively short period of time," the U.S. representative added.

This is how Protocol II to the 1954 Military Bilateral Aid Agreement between the United States and Honduras has been signed. This is an agreement that attempts to definitively establish a permanent U.S. troop presence in our country, using the pretext of joint military maneuvers, which have been taking place since 1983.

The signing of Protocol II is, of course, the prelude to signing Protocol III of the 1954 Military Agreement, which would completely turn our country into a permanent U.S. military base—but formally disguised as a "Honduran"

base—to replace the Panama Canal Zone and the Guantanamo bases that will be turned over to Panamanian and Cuban jurisdiction respectively in 1999.

The use of "protocols" to extend and surpass an international agreement is something totally inappropriate, it is a legal aberration, and a mockery to those countries on which [the protocols] are imposed. In this aspect, Honduras is being the guinea pig; it is very strange that a protocol is being added to this kind of agreement, and stranger still that more protocols are added, as is the case with the United States-Honduras 1954 Agreement.

All this is taking place in the face of national repudiation, which has been widely expressed. The Armed Forces, however, believe that they own the country and therefore do not believe they have the obligation to respect public opinion.

Editorial Decries OAS Meeting's Lack of Results

PA2011151988 Tegucigalpa EL HERALDO in Spanish 18 Nov 88 p 9

[Editorial: "OAS: The Meeting Ends"]

[Excerpts] The 18th OAS General Assembly held in San Salvador ends tomorrow, 19 November.

The following are the assembly's main achievements: 1. Reelection of Joao Baena Soares as OAS secretary general. 2. General review of the Central American situation. 3. Analysis of the negative factors hanging over the heads of Latin Americans (foreign debt, drug traffic, military dictatorship, economic recession, etc). 4. Location of next annual meeting.

The official agenda listed 50 or more topics to be discussed.

For Central Americans, the only concrete and firm accomplishment during this assembly was the designation of Mr Soares as OAS secretary general. The Latin American democracies did not come through with solutions to the problems of Latin America, and much less Central America. They closed their eyes to the real causes of economic imbalance in our countries and the attempts made by the political forces that conspire against peace, liberty, and democracy in our hemisphere. [passage omitted]

Honduran Foreign Minister Carlos Lopez Contreras reaffirmed the Honduran proposal to establish an international security commission "to avoid the flow of armed Salvadoran and Nicaraguan rebels who look for sanctuary in Honduran territory." [passage omitted]

Honduras does not have open support for its proposal on the isthmus. Some Central American observers and critics even view the project with distrust. Lopez Contreras clarified at the OAS that "the Honduran proposal's goal was to repatriate the rebels under the Esquipulas II agreements' guidelines." He added: "We definitely do not want to send the armed rebels who looked for sanctuary in Honduras to Costa Rica or Guatemala. We are proposing that the rebels leaders, who seriously risk their lives by returning to their countries, be sent to a third country outside the region."

Silence again. It is evident that the Honduran proposal is doomed to failure.

Meanwhile, in Nicaragua, a situation that is against liberty, plurality, disarmament, and concord is gaining strength. We agree that democratization of the Central American countries is the quickest way to reconciliation. The Central American leaders must be chosen by the citizens' free and secret votes. The law that guarantees political rights must be respected and fully carried out. Only freedom and respect for these rights will allow us to forget the dismal past and the present that is filled with the pain of death, destruction, and repression.

In El Salvador, death rides on. The Marxist-Leninist rebels boast their firearms strength, and the best of Salvadoran youth continues to die in terrorist actions in the jungle, towns, and urban streets. Large capital is needed to maintain a rebel force—destructively active for the past 8 years—"alive." Where do the funds come from? The Honduran foreign minister points to the empire of the steppes as the country responsible for the blood that still flows in Central America, and that while this happens, the contras have been obliged to withdraw and put down their weapons for the past 10 months.

The OAS deliberations in San Salvador have not provided effective solutions to the problems that are a scourge to us.

Commonwealth Group Discusses British Projects

PA2211004688 Tegucigalpa EL HERALDO in Spanish 19 Nov 88 p 35

[Summary] Honduran President Jose Azcona Hoyo and the Economic Cabinet have met separately with Lord Kindersly, president of the Commonwealth Development Corporation's board of directors. Sean Magee, the corporation's Latin American representative, said their visit is to follow up on British projects in Honduras, which total approximately $40 million, and to assess the possibility of financing new programs.

Nicaragua

Attacks From Honduras, Costa Rica Reported

PA2211023188 Panama City ACAN in Spanish 0125 GMT 22 Nov 88

[Text] Managua, 21 Nov (ACAN-EFE)—The Nicaraguan Defense Ministry reported today that Honduran troops and anti-Sandinist guerrillas operating out of Costa Rica have harassed border posts in northern and southern Nicaragua during the last few days.

The source asserted that Honduran troops fired 81-mm mortars and machinegunned the Murupuchi border post, which is very close to the Honduran border, on two occasions on Friday.

On Thursday, approximately 30 contras based in Costa Rican territory attacked the Concepcion border post, 8 km southeast of El Castillo, very close to the southern border, the Defense Ministry said.

According to military sources in Managua, the Murupuchi border post, which is 4 km from Teotecacinte, in Nueva Segovia Department, which borders on Honduras, has been one of the posts most often harassed by Honduran troops since August.

This position at Murupuchi, which is the closest to the Honduran border, was attacked "from Honduras by troops from that country" on 1, 12, and 13 November, the Defense Ministry added.

Other border patrol watch posts reportedly "harassed from Honduras" on 3 November were the Cementerio and Vado Ancho posts, which are also located in northern Nicaragua.

Communique Issued 21 Nov

PA2211041688 Managua Radio Sandino in Spanish 0354 GMT 22 Nov 88

["Bulletin" issued by the Defense Ministry on 21 November in Managua]

[Text] On 18 November, Honduran Army troops harassed with 81-mm mortars and 50-mm machineguns the Murupuchi observation post, 4 km north of Teotecacinte. At 2000 on the same day, that observation post was harassed again.

At 1700 on 17 November, a group of approximately 30 counterrevolutionaries from Costa Rica harassed the Nicaraguan border post at La Concepcion, 8 km southwest of El Castillo.

Issued in Managua on 21 November 1988 by the Public Relations and Information Directorate of the Ministry of Defense.

Ramirez: Leaders 'Waiting for Bush' Policy

PA2111161988 Managua Radio Sandino in Spanish 1200 GMT 21 Nov 88

[Text] Nicaraguan Vice President Sergio Ramirez has said the Central American summit is being delayed because U.S. President-elect George Bush has not presented a definite position concerning his policy toward Central America.

Ramirez said some Central American presidents are waiting for Bush to define his policy toward Central America before they decide on a future, regional summit.

The Central American presidential summit has been postponed four times since the last summit in Costa Rica in January 1987.

Ramirez said some of the region's presidents are presenting obstacles to holding the presidential summit because of the absence of a definite Bush policy toward Central America.

RN Member Labels Alfredo Cesar 'Inconsistent'

PA1911015588 San Jose Radio Impacto in Spanish 1830 GMT 17 Nov 88

[Text] Nicaraguan Resistance [RN] member Azucena Ferrey said Contra Directorate member Alfredo Cesar, who now heads the Democratic Center Coalition, is inconsistent. She added that if a national reconciliation government were ever formed and Cesar participated in it, the internal political opposition would never be sure of his position.

The Democratic Center Coalition reported in Miami that it was going to present a new peace proposal to the Sandinist regime. The contra representatives await its presentation. The proposal is different than the one presented in Sapoa last March and does not include the renewal of military aid to the rebels.

Trial Process for Nandaime 'Heroes' Extended

PA2011144188 Managua LA PRENSA in Spanish 17 Nov 88 p 3

[Text] To the surprise of the lawyers defending the Nandaime heroes, they received yesterday a communication from Military Judge Ariel Jimenez Mondragon informing them that the process to receive evidence has been opened for 57 days—arbitrarily chosen by the judge—from 12 November 1988 until 6 January 1989. The decision violates an existing law that establishes a 16-day period to receive evidence.

Lawyers Fanor Avendano, Francisco Jose Fletes, Luis Alberto Zeledon, and Salvador Madriz explained that that judicial decision means Military Judge Jimenez Mondragon is enacting and abolishing laws. Article No 138, Numeral 1 of the Constitution reads: "The National Assembly is empowered to draft and approve laws and decrees and to amend and abolish existing laws." Numeral 16 reads: "The president of the Republic can enact laws when the Assembly is in recess. Excepted are measures regarding the codes of the Republic."

The notice is illogical and seeks to delay the trial. The term mentioned includes the court's 15-day vacations in December and holidays. The purpose is to keep the period to present evidence open until next year. The innocence of the Nandaime heroes has already been proven. Only 16 days remain to complete the trial and declare the defendants not guilty.

The defending lawyers feel, based on the law and justice, Military Judge Jimenez Mondragon is ignoring the rulings by the Sandinist government, the Supreme Court of Justice, and the Appeals Court. In fact, this government issued Decree No 1340 suspending the courts' proceedings Saturdays and Sundays. The Supreme Court of Justice does not work those days either.

The defense once again stressed the collusion between Prosecutor Jose Antonio Ruiz and Military Judge Jimenez Mondragon. They decided to violate the aforementioned rules and extend the trial process to help the prosecuting side. They noted that neither the prosecutor nor the defense had requested the judge's arbitrary decision.

They explained that the defense had always been accused of delaying the process. They note that this charge is totally false, because they have prepared the defense by studying the files and working hard to prepare their evidence. This process has taken some time. It is the opposite with the prosecutor, who had copies from the beginning of the proceedings and forced the defense to present copies for their benefit. "The legal proceedings have never been delayed. However, the military judge's stance means they will last until next year. The defense lawyers feel that by that time, their clients could have been free," Avendano said.

Moreover, the situation of the Nandaime heroes is difficult because of many health problems, their isolation, and the repression of the guards at La Granja Jail in Granada. However, the defense lawyers said the heroes' morale is very high and feel that the ruling will be issued as soon as possible. The heroes feel innocent although they may be found guilty. However, history will correct this mistake.

The lawyers also said the health of two defendants, Evert Antonio Lopez Sanchez and Jose Lopez Martinez, is very delicate. They fear the accused may suffer greater consequences because of the lack of medical attention and the refusal to conduct an in-depth investigation of their true condition.

Panama To Provide Aid for Agricultural Recovery

PA1911025588 Managua BARRICADA in Spanish 18 Nov 88 p 5

[Text] According to a Panamanian delegation that visited Nicaragua to learn about the effects of the hurricane and to meet with Nicaraguan Agricultural Development Minister Jaime Wheelock Roman, Panama will assist in Nicaragua's agricultural recovery.

Panamanian Agriculture Minister Darisnel Espino delivered to his Nicaraguan counterpart a sample of seed corn and other seeds, which will be tested to determine whether the seeds adapt to our soil.

If it is determined that the seeds would be useful in Nicaragua, the Panamanian people and Government will send larger quantities of the seeds to be planted in the areas most affected by Hurricane Joan: Corn Island and Bluefields.

Espino said a working team will visit Nicaragua to assess the damage done by the hurricane to the country's flora, after which a reforestation program will be implemented.

In addition, Darisnel Espino said that as the studies develop, measures will be taken to transport more aid, especially seeds and coconut, to the Nicaraguan Atlantic coast, where the plantations were completely destroyed.

Pedro Brin Martinez, Panamanian legislator and vice president of the Panamanian Legislative Assembly Health Committee, said the Panamanian visit confirms the deep ties of solidarity that link the Panamanian and Nicaraguan people, ties which have been strengthened by the U.S. aggression against the two countries.

Brin stressed that the aggression against Panama has united Panamanians. He added that the fair thing for the U.S. Government to do is to rectify the situation because Panamanians will not beg to Bush, Reagan, or to any foreign power.

Before the delivery of the seeds, Commander Wheelock Roman briefed the Panamanian delegation on the human and property damage caused by Hurricane Joan.

The Panamanian delegation was headed by Minister Espino, who was accompanied by Tomas Noriega, chief of the team of experts that will conduct the studies in Nicaragua; Lt Colonel Alberto Pourcell, deputy chief of the Panama Defense Forces [FDP] General Staff; Colonel Virgilio Mirones [G-5 of the FDP General Staff]; and Panamanian businessman Carlos Willgreen.

$450 Million Debt With BCIE Refinanced

PA1911233188 Managua BARRICADA in Spanish 18 Nov 88 p 2

[Excerpt] Nicaraguan Central Bank President Joaquin Cuadra and his counterpart Roland Ramirez, president of the Central American Bank of Economic Integration (BCIE), yesterday signed an agreement to refinance the Nicaraguan debt. As a result of the agreement Nicaragua will begin programming its debt payments, and it also restored its eligibility for credit.

In a cordial atmosphere, both bank presidents asserted that the signing of the agreement is a positive step toward Central American economic unity and confirmed that the goal of the BCIE is to promote regional, balanced development without political or ideological distinctions.

The debt that Nicaragua refinanced through the agreement totals approximately $450 million and, according to Cuadra, the negotiation was characterized by a spirit of Central American unity. [passage omitted]

Panama

Solis Palma Denies U.S. Negotiation Offer

PA2111191188 Panama City ACAN in Spanish 1838 GMT 21 Nov 88

[Excerpts] Panama City, 21 Nov (ACAN-EFE)—Panamanian President Manuel Solis Palma today said he has not received any official U.S. Government offer for negotiations to normalize the two countries' diplomatic relations.

"We have always been open to any understanding with the U.S. Government," Solis Palma added. However, he warned that the dialogue must be based on "respect for the Panamanian Government, our sovereignty, and our dignity."

"Officially, we have not received anything," Solis said on being asked about a U.S. television network report that Reagan administration officials have sought to resume contacts with representatives of the Panamanian regime to propose negotiations for an agreement. [passage omitted]

According to Solis Palma, the U.S. Government "attacks Panama's sovereign right" when it insists on recognizing Delvalle as the country's legitimate president.

Concerning the Panamanian domestic situation: When asked about the constitutional guarantees the opposition is demanding for the May elections, Solis Palma said: "We totally agree. The government also hopes that in the next elections we will have the resources available that the Panamanian opposition has asked the United States to retain."

As part of its sanctions and at Delvalle's request, Washington froze the Panamanian funds in U.S. banks; according to the government, Washington uses part of those funds to finance the opposition.

Solis Palma spoke to the press after receiving a "contingency plan" drawn up by the executive branch's National Commission for Consultation and Political Advice. It contains recommendations to face the political and economic crisis.

Comments on Upcoming Elections

PA2211044088 Panama City Televisora Nacional in Spanish 2300 GMT 21 Nov 88

[Excerpts] The possibility of a political alliance strong enough to find answers to Panama's political problems in a democratic manner came up today at the Atlapa Convention Center when the government's National Consultation and Advisory Commission presented Manuel Solis Palma, minister in charge of the presidency, with a proposal for a 1989 national contingency plan. This plan is the result of long, hard hours of work. [passage omitted]

After accepting the national contingency plan, the minister in charge of the presidency reiterated that the recommendations included in the plan, which is the result of a job performed in a spirit of goodwill, will be studied by his team.

[Begin Solis recording] I am very pleased to add that, today, the government team is much more aware of the problem we are facing and of how to tackle it. This greater awareness allows us to discuss the proposals we receive much more effectively.

I am sure that very soon we will be able to sit down and talk over your proposal. We will discuss the implementation of your proposal or suggest some changes in accordance with our experience and current situation. We will discuss those areas where we differ as well as those upon which we agree. [end recording]

During his visit to the Atlapa Convention Center, Solis Palma held an impromptu news conference. He answered questions regarding Panama's current situation. Answering a question from a Televisora Nacional reporter regarding future negotiations with the United States, Solis Palma said:

[Begin recording] [Solis Palma] Officially, we have made no suggestions nor have we heard any.

[Reporter] Your Excellency, the people are asking themselves where the money for the upcoming elections is going to come from.

[Solis Palma] That is not the problem. We already know how much will be spent on the elections. The candidates and political parties must worry about where they are going to get the money they need. The government is responsible for providing the necessary instruments and personnel, and for this we do have the money.

[Reporter] Mr President, the opposition met yesterday and said that they hope the conditions will be right for them to participate in a just and democratic election. What do you have to say about this?

[Solis Palma] I agree. The government also hopes that for the upcoming elections we will have the money that the Panamanian opposition has asked the U.S. Government to withhold. We must have these Panamanian funds in order to prepare for the upcoming elections.

[Reporter] [Words indistinct] with the participation of the opposition groups. What do you think of this?

[Solis Palma] I believe in a constitutional government, and we have a constitutional government. It would be something else if the situation were different.

[Reporter] Mr President, is there a willingness to continue with the dialogue?

[Solis Palma] We are always willing to talk, but we only talk with real Panamanians. [end recording]

PdP's Sousa on Negotiations With U.S.

PA1711185288 Panama City LA REPUBLICA in Spanish 16 Nov 88 pp 2, 6

[By Ruben Dario Diaz C.]

[Text] Ruben Dario Sousa, secretary general of the Panamanian People's Party [PdP], has said that in the search for an understanding, the U.S. Government must be the one to openly state what it wants from Panama, and it will be up to Panama to decide whether the U.S. interests are in accord with its own interests.

Sousa said there is a difference between Panamanians seeking an understanding with the United States and the United States seeking an understanding with the Panamanians.

"This is our country and by an absolute majority we, the Panamanians, have decided we must recover our national territory. This situation is not compatible with the existing maturity of the nation, with the existence of military bases, and the military or political presence of the United States in our territory," the Panamanian Communist stressed. Sousa added that the PdP believes the U.S. Government should be the one to say what it wants of Panama and not the other way around. They are the ones who need something we have, and if it is good for Panama, perhaps we will then see whether a reconciliation of interests is possible. From the local Communists' viewpoint, the interests of the two countries are incompatible.

"Negotiation does not mean understanding. If there is understanding, there can be reconciliation. However, the PdP believes this is impossible. But, we are living in a world of dialogue, a world in which international problems must be solved through negotiation; if the United States needs something more from Panama, it should state so at the negotiation table and not with the use of force. We reject the use of force in the relations between two countries. [no closing quotation marks as published]

Commenting on the offer of the Christian Democratic Party [PDC] to hold talks with the Panama Defense Forces, PdP Secretary General Ruben Dario Sousa said such a initiative is positive whether presented by the PDC, the National Democratic Union, or the Panamanian Communists.

In conclusion, Sousa said: "The current times demand that the real Panamanians reach an agreement to defend Panama."

PDC Party Congress Date Announced; Arias Cited

PA1811185388 Panama City Circuito RPC Television in Spanish 1804 GMT 18 Nov 88

[Text] In every Panamanian's mind there is a thought churning, and everyone smiles because they know victory is at hand. What is this thought? It is best if Ricardo Arias Calderon [president of the Christian Democratic Party, PDC] himself tells us:

[Begin Arias recording] Panamanians already know they must take the bull by the horns. We have yet to decide how or when, but we have decided to do it united. This is the way we will win. [end recording] [Chants: "Together we can do it, together we can do it]

Following this slogan, the party of the green star, the Christian Democratic Party, will hold its ninth national congress on Sunday, 20 November, at the Lux Theater. If you are a delegate, please be there at 0900. If you are a party member, supporter, or a friend of the democratic opposition, we will hold a meeting at Porras Park, across from party headquarters, at 1500. We invite you to attend this great democratic celebration. [Chants: "Together we can do it]

PDC Vice President Urges Fair Elections

PA1811175588 Panama City Circuito RPC Television in Spanish 2333 GMT 15 Nov 88

[Text] Carlos Arellano Lennox, vice president of the Christian Democratic Party [PDC], has stated that the upcoming elections must be held under equal conditions for all the political parties:

[Begin recording] The government wants to hold elections with the opposition's participation so it can claim at the international level that it sought a solution to the country's domestic situation. That is not true, because the elections would only involve changes in the executive branch and would not solve the real issue, which is the lack of democracy in Panama caused by the Panama Defense Forces' attitude.

Likewise, the government knows that if the opposition participates in the elections, the government will have to perpetrate a horrendous fraud because it cannot count on anyone, not even its own people. The government prefers that the opposition not participate in the elections.

I hereby issue a challenge to the government: Dare to hold elections, but under equal conditions for everyone. Dare to hold elections, but let everyone have access to the media. Dare to hold elections that allow us to gather in the squares and streets with our voters. Allow us to tell the people what

we think about the next government and how it should be formed. Really count all the votes. In other words, dare to do things correctly. That is my challenge.

I also issue an appeal to the Panamanian people: Be disciplined. We won the last time because we were united. This time we will not only win, we will defeat the government with a landslide of votes. [end recording]

Referring to the 1989 elections and the opposition parties' future, PDC Vice President Carlos Arellano Lennox said:

[Begin recording] I believe the elections are intended to let a political party reach power in a peaceful way. However, the elections may represent something else for the people. Perhaps it means participating in an event in which they state their will. If the people participate in the elections, regardless of the prevailing conditions, and show the government that they repudiate this system, then it would be a moral victory. Our votes would tell the world that, despite everything, the people do not want this government, this system, or this process. This is the only way in which the elections could be held. In other words, the people should be allowed to state, through their vote, that they repudiate the current system. [end recording]

CONEP Outlines Crisis Policy Document

PA1711165688 Panama City Circuito RPC Television in Spanish 2300 GMT 16 Nov 88

["Conclusions" reached in National Council of Private Enterprise (CONEP) document: "Business Sector Proposals in Face of National Crisis"; issued in Panama City on 17 November—recorded; read by Ricardo Icaza, president of the Panamanian Tuna Industry Association]

[Text] The main cause for the serious crisis we are going through is the loss of confidence in the country's economic future and its institutions because of the clear and open conflict between large groups of the Panamanian population and the country's ruling regime. This has caused an end to investments and a massive withdrawal of funds from the national banking system.

The main in-depth reason for the crisis is the accumulated frustration of great segments of the citizens before a regime that tramples on individual and collective rights and liberties, places itself above the law, and allows corruption and administrative disorder. The economic crisis also confirms the wearing out of the Torrijos model, which is based on boosting the economy by increased public spending at the cost of massive indebtness.

There is the general consensus within the business community that if no political solution can be found, the crisis will worsen, bringing about a drastic drop in Panamanians' standard of living, increasing unemployment to alarming levels, leaving thousands of resourceless Panamanians in poverty, and severely reducing our country's middle class.

Political solutions are needed to overcome the crisis, which is political in nature. Basically, a de jure state is needed, a genuine democracy, which in turn requires a pullback by the armed institute and a redefinition of the role of the Panama Defense Forces in a genunine democracy.

To begin the recovery process, the lifting of U.S. economic sanctions will be needed; even if these sanctions did not cause the crisis, they did accelerate and deepen it. Foreign economic cooperation will be needed to reestablish our banking system's ability to finance our economic activity, rearrange public finances and the government budget, and to attend to certain urgent problems such as the Institute of Hydraulic Resources and Electrification, the Social Security Fund, the National Bank, and the National Savings Bank, among others. In addition, a growth strategy needs to be presented and executed to help the country overcome the economic stagnation it was in even before this crisis began.

It is essential that this strategy start without delay, as well as the plans and necessary programs to attain sustained recovery, including economic growth, and to improve our population's standard of living, especially those of our more needy fellow citizens.

The proposed recommendations are necessary to overcome the crisis and create a de jure state where there is justice, law, and a call for liberty. A genuine democracy is an indispensable requirement so that we Panamanians may live in peace and liberty.

Haiti 'Liberation Front' Leader Backs Noriega

PA1811193888 Panama City Televisora Nacional in Spanish 2300 GMT 16 Nov 88

[Text] Gilles Hendrick, general secretary of Haiti's Charlemagne Peralte National Liberation Front [FCPLN], pointed out that Haitian and regional political leaders support the patriotic position adopted by Panama Defense Forces General Manuel Antonio Noriega.

Hendrick, who is also the head of the Haitian National Coordination Board's Politburo, stated on behalf of the organizations he represents that he rejects U.S. interference in Panamanian internal affairs.

Hendrick expressed this rejection to General Noriega during a meeting the two held yesterday. Hendrick said that the presence of the military in Panamanian politics is justified by the threat of foreign intervention.

The Haitian leader added that, in all nations, the military institution's role is to guarantee public order and preserve sovereignty. However, he said, the military must go beyond this role when the country's sovereignty is threatened, as in Panama's case.

Hendrick compared the Panamanian situation to that of Haiti. In Haiti, he said, France used to impose the leaders they wanted. Now the United States imposes its will in Haiti, as it wishes to do in Panama.

Finally, Hendrick said that if under these circumstances the Panamanian military does not fulfill its role of defending the fatherland, the fatherland will disappear—and with it, the people's feeling of sovereignty.

Nonattendence at PCC Meetings Supported

PA1111211388 Panama City LA REPUBLICA in Spanish 9 Nov 88 p 5

["Vox Populi" column by Luis Restrepo: "Gianelli's Plan"]

[Text] The holding of Panama Canal Commission (PCC) Board of Directors' meetings in the United States instead of in Panama, as established in the board's bylaws, is part of a plan to discredit Panama that is being carried out by the "midget-sized Napoleon" and unconditional pawn of Ronald Reagan, William Gianelli, and his henchman, the so-called "Rambo" Rhode.

At the last meeting, held in New Orleans, Gianelli was in an overprotected environment that enabled him to vent his hatred and bile against Panama and to carry out his campaign, a campaign filled with lies and untruths aimed at convincing those countries that use the canal that Panamanians are irresponsible and that leaving the canal in our hands would mean the closure of the waterway because of inefficiency, lack of safety, and costs.

That would explain the plan to keep Panamanian representatives away from the meeting. The news conference given after the 12 October farce in New Orleans and the infamous, slanderous, and malicious press communique issued after the meeting provide sufficient proof.

As a Panamanian, I would like once again to give my full support to Foreign Affairs Minister Dr Jorge E. Ritter, who did not allow our representatives to attend that meeting—first for health reasons, because the Panamanian representatives could have been infected by persons with a pronounced, unclean disposition, such as Gianelli or Rhode.

Second, a trap had been set: During the course of the meeting, Gianelli would yield the floor to Sosa, who would accuse the Panamanian representatives of not representing "Panama's constitutional government" and who would formulate other charges and insults in an effort to irk the Panamanians and provoke acts of violence.

The trap was designed so that when the legitimate Panamanian representatives responded, Gianelli would terminate the meeting and call the press in to accuse our representatives of verbally and physically abusing "Ambassador Sosa," who was there as a guest of the Board of Directors.

Thus, Gianelli would have allowed Sosa to be free to bring criminal charges against the Panamanian representatives before the PCC Board of Directors and their staff and to request their detention and subsequent expulsion from U.S. territory.

Those who think Panama should still attend these PCC Board of Directors' meetings are naive. We Panamanians must realize the United States has declared a brutal and vicious war and that sustained efforts are being made in that country to present us to the world as an aggressive and irresponsible people whose conduct endangers the countries that use the canal, in particular, and world commerce in general.

Foreign Affairs Minister Dr Ritter has perceived the problem in this way, which is why he did not allow the Panamanian presence in New Orleans. This is a dirty war being waged by the United States, Gianelli, and Rhode—who together with the "Zonians" [U.S. citizens of the former Canal Zone] are the frontline forces.

Further on PCC 'Administrative Chaos'

Canal Appointment Debated

PA1711154588 Panama City LA REPUBLICA in Spanish 15 Nov 88 p 5

["Vox Populi" column by Luis Restrepo: "Administrative Chaos (Part II)"—all quotation marks as published]

[Text] According to Paragraph 3(c) of Article III of the Panama Canal Treaties, the United States will appoint a Panamanian citizen Panama Canal administrator "as of 1 January 1990. This Panamanian citizen will be proposed by the Panamanian Government.

This makes it clear that the Panama Canal administrator will be a Panamanian citizen as of 1 January 1990 and that this citizen will have been proposed by Panama.

It is also clear the only requirement for the appointment to be effective will be Panama's proposal and that, therefore, the United States cannot veto this proposal or prevent the citizen proposed by Panama from becoming Canal administrator even if the United States has not formalized the appointment. We want to point out the appointment by the United States is neither selective nor must it be subjected to any bureaucratic procedures. This appointment is simply a binding mandate of the treaties, to be carried out automatically through an administrative act on 1 January 1990.

A few months ago, asked by Dr Carlos Ozores, a Panamanian member of the Panama Canal Commission [PCC], about this appointment, William Gianelli replied that "the United States had not yet decided what to do." From that moment the anti-McAuliffe Zonian group began plotting against him, thinking McAuliffe would not object to handing over the Canal administration to a

Panamanian. This group began sending letters and documents to Washington requesting sanctions against Panama and making demands that neither our government nor the Panamanian people will ever accept.

As proof of this campaign by the "Zonians," this writer has read statements by a U.S. Government official who, disregarding the treaties, has said that "if certain political changes do not occur in Panama before 1 January 1990, his government will appoint the Panamanian administrator.

In addition, we must remember that during the March 1987 Annual Conference of Business Executives, CADE 87, Dr. Eva Losser announced this same possibility of an appointment "if Panama fails to elect in 1989 a tame president, submissive to the United States.

This writer has now learned that "the cocky Rambo-like Zonians" are speaking about organizing commandos to ban entrance into the Canal administration building on 1 January 1990. They know McAuliffe will not back these actions, which is why the "Zonians" want to create chaos within the PCC administration, so as not to hand it over to Panamanians.

Considering that this might happen, all of us Panamanians must be ready to accompany the citizen Panama has proposed to be administrator on his way to occupy the administrator's office so he can start issuing instructions from there.

Let us bear in mind that nobody can legally prevent him from proceeding, because he will be acting in accordance with the treaties. If an armed guard at the building tries to stop him, I can assure the guard he will be in serious trouble because the Panamanian administrator will have the guard arrested by the Panamanian police, which is the only authority in the area.

Let us make the defense of the Panamanian administrator of the Panamanian Canal a matter of NATIONAL COMMITMENT.

Panamanian Employees Discussed

PA1811233288 Panama City LA REPUBLICA in Spanish 16 Nov 88 p 5

["Vox Populi" column by Luis Restrepo: "Administrative Chaos (Part III)"]

[Text] Among all the mail the writer is receiving, there is a document entitled "The Panamanian Employees." It is a document intended to create conflict among Panama Canal Commission [PCC] Panamanian employees and the country's authorities. This plan was worked out by those "Zonians" who recognize Rhode as the canal's [Board of Directors] secretary. They are Wood, Burgoon, Quinn, Morgan, Wainio, and Seeley. "Dwarf Napoleon" William Gianelli suggested to President Reagan that the economic measures against Panama include retaining part of PCC Panamanian employees' salaries—which are moneys these employees must pay to the national treasury as income tax, social security tax, and education security tax—thus violating the Panamanian labor law concept that "workers wages are sacred."

According to that plan, the following would occur: The PCC Panamanian employees would default (it is nearly 1 year now) with the General Revenue Directorate, which is the Panamanian agency responsible for collecting taxes in Panamanian territory to pay the public debt. Then the General Revenue Directorate, as Panamanian law provides, would be forced to halt the issuance of tax clearance certificates to those employees and employers who were delinquent; charge them interest, fines, and surcharges; and, if necessary, attach property [jurisdiccion coactiva] to ensure payment.

The plan explains: "We want to create a confrontation between the PCC Panamanian employees and Panamanian Government officials," despite the U.S. Government's being the guilty party in this situation.

The plan explains that "Gianelli is convinced that the PCC Panamanian employees will not dare to take action against the U.S. Government for fear of losing their jobs." The writer has learned that a group of Panamanian employees recently considered demonstrating outside the U.S. Embassy in Panama City; immediately, a message from Michael Rhode was received telling them "if they did that, they would suffer a fate similar to the U.S. air traffic controllers."

According to the plan reported by the writer, "Gianelli agents would infiltrate among Panamanian workers to promote actions against Panamanian authorities." The Panamanian people who are suffering the brutal U.S. aggression against Panama are aware of the situation their Panamanian brothers employed by the PCC and the U.S. Armed Forces are in. The last thing Panamanian authorities want to do is leave our brothers unprotected, but as prominent economists in our country point out: "If exceptions are made favoring the PCC and U.S. Armed Forces Panamanian employees," those precedents would dismantle the country's tax system.

To give in would be to bow to U.S. economic sanctions. That would be fatal for Panama. That is the truth, and the country's dignity does not allow any other position.

Government Reviews U.S. Workers Tax Issue

PA1711044388 Panama City MEDIODIA in Spanish 16 Nov 88 p 2

[Text] The threat of confiscation of property owned by Panamanians working in the Panama Canal area continues. The executive and legislative branches yesterday failed to suspend an order issued by the Finance Ministry, which is trying to resort to its attachment authority

[jurisdiccion coactiva] with regard to workers whose employers do not turn over to the government the taxes being withheld from the workers' salaries.

This information was obtained by evaluating a much-disputed joint meeting of the Legislative Assembly finance and canal affairs commissions which was attended by Finance Minister Orville Goodin, Revenue Director Ricardo Levy, and a group of workers who would be affected by the measure.

Finance Minister Orville Goodin termed the U.S. Government's decision [to not forward withheld taxes to the Noriega regime] as political and aimed at creating a confrontation between workers and the executive branch. He added that this is part of the U.S. Government's actions against Panama.

The minister said his ministry does not have the administrative capability to handle each and every canal worker who wants to pay his taxes on his own, and added that his office cannot disregard the law concerning the issuance of tax clearance certificates [paz y salvos]. "I have consulted with the executive branch about this," Goodin said.

Dr Fernando Manfredo, deputy administrator of the Panama Canal Commission, explained that his organization continues to deduct educational and income taxes from its workers paychecks. He added that the money is sent to the U.S. Federal Reserve Bank and not to Panama because the U.S. Administration recognizes Eric Delvalle as president of Panama.

Manfredo stated that taxes must be withheld because this is specified in the Torrijos-Carter treaties. He added that he has already pointed out to the U.S. Administration that this action [not forwarding withheld taxes] negatively affects the workers and the proper operation of the inter-ocean waterway.

An irate argument arose between Legislator Carlos Arellano Lennox and Revenue Director Ricardo Levy during the meeting. It began when the legislator said the latter was a bully and that his decision to severely enforce Panamanian laws was unjust.

Levy said his decision to enforce the measure is based on the fiscal code, which specifies a linkage between the employee and his employer in cases where the latter must make the deductions but does not do so. He added that announcing the implementation of the measure was in no way a discriminatory action.

Likewise, Legislator Carlos Arellano Lennox held Minister Goodin responsible for the negative consequences that the measure may have for workers, and he questioned the legality of such a decision. Diana Boza, first vice president of the Panama Canal Commission Employees' Association, strongly criticized the government and requested that the attachment authority be suspended because it creates uncertainty among the workers.

The meeting began in the morning and lasted until the afternoon. However, it failed to yield specific results. It was agreed that another meeting will be held later this week to fully discuss the problem.

Government To Pay Public Employees on 18 Nov

PA1711170588 Panama City Televisora Nacional in Spanish 2300 GMT 16 Nov 88

[Statement by Education Minister Rolando Murgas; date and place not given—recorded]

[Excerpt] There is no doubt that the government is unable to pay salaries corresponding to the 1st half of November until 18 November, when all public employees will be paid, including Education Ministry employees. We regret the difficulties public employees will face because of this delay, yet it is part of the harsh reality Panama faces.

Quite simply, the Panamanian Government is trying very hard to meet its payroll scrupulously on the scheduled paydays. Unfortunately, during November, when we commemorate our independence and other historic national events, it has been necessary to go beyond the 1st half of November and pay on 18 November. [passage omitted]

Teachers Protest Delay

PA1811190388 Panama City ACAN in Spanish 1750 GMT 18 Nov 88

[Text] Panama City, 18 Nov (ACAN-EFE)—Panamanian teachers and professors today staged demonstrations and protest rallies in various cities and towns to demand the payment of their salaries for the 1st half of November. The Education Ministry began to pay their salaries today, 3 days late.

An Education Ministry spokesman told ACAN-EFE that the government began paying the teachers' salaries throughout the country today, so he did not see any reason for the protests.

Legislator Marco Alarcon, president of the Independent Teachers Movement, said the peaceful protests by the country's 27,000 teachers began on 15 November, the day the government should have paid their salaries. He said the protests caused irregularities in class schedules but no incidents.

The government has had problems this year in paying the teachers and other government workers on time because of the grave economic crisis Panama has been experiencing and because of the U.S. economic and trade sanctions against this country.

Argentina

Caputo on Pending Meeting With U.K. Ambassador

PY2111195788 Buenos Aires Domestic Service in Spanish 1600 GMT 21 Nov 88

[Text] Foreign Minister Dante Caputo has said that no meeting with the British ambassador to the United Nations, Sir Crispin Tickell, has been either scheduled or canceled. He said there is a pending meeting for which no date has yet been set, although it may be held sometime next week.

Caputo said that it has been quite obvious that he, as president of the United Nations General Assembly, has been very interested in meeting with the British ambassador, that this has been noted by the public, and that the British Foreign Office has publicly stated that there would be no problems with the meeting.

Thereafter, Caputo went on, no other steps were taken, because we were voting on the Malvinas issue at the General Assembly and, consequently, further steps would have been inappropriate.

Caputo said that contrary to what a newspaper has reported, no meetings have been scheduled or canceled. He added that the report is a fabrication and that there is simply a pending meeting.

Concerning the alleged secret negotiations with Great Britain, Caputo said that there have been none. He nevertheless expressed support for such negotiations by saying that secret meetings are very natural in international diplomacy. Solutions to major issues—like the peace process in Iran, the Namibian issues, or the dialogue between the Koreas—were not achieved under press scrutiny, but during secret meetings, he said.

Caputo concluded by saying that he who is shocked by secret negotiations is probably unaware of even the elementary principles of diplomacy.

Asked whether the Radical Party is unable to convey information properly or whether the mass media have taken an opposition stand just to increase their circulation, Caputo said that he has his own opinion on the issue, which he will keep to himself so as not to raise a storm. He added that, as usual, all the sectors involved share the responsibility. He stressed that freedom of the press must be preserved, no matter the price, no matter the offense, and no matter the distortion of the information, because absolutely nothing can replace freedom of the press. The worse system based on freedom of the press is still better than a system without freedom.

Caputo dismissed a report that Alfonsin's decision to stop in Madrid on his trip to Italy and Germany was due to the recent visit paid to Spain by Justicialist presidential candidate Carlos Menem. The minister said that whenever he visits Europe, Alfonsin usually stops in Spain to update the excellent dialogue with Felipe Gonzalez. Alfonsin, therefore, may meet with Gonzalez, but not as a consequence of the meeting that Gonzalez had with Menem a few days ago.

Cordoba, Romania Sign Cooperation Agreement

PY2111222788 Buenos Aires DYN in Spanish 1430 GMT 19 Nov 88

[Text] Cordoba, 19 Nov (DYN)—Cordoba Provincial Administration officials and representatives of the Romanian state-owned company Rompetrolgeomin have signed an agreement for cooperation in mining, including technology transfer, the training of technicians, the construction of industrial plants, the exploitation and reactivation of mines, and the supply of machinery and equipment.

The Romanian company plans to build a plant for manganese processing. They believe the resulting product can be used in the chemical industry and for fertilizers, common batteries, and dry batteries.

Before signing the agreement, the Romanian experts studied several areas of the Cordoban hills, particularly the manganese mines and the processing plant at Pozo Seco in Sobremonte Department.

* Brodersohn, Machinea on Monetary Policy

33480030c Buenos Aires CLARIN in Spanish 25 Oct 88 p 19

[Text] The government is planning to increase the tax burden to make up for the current budget deficit as part of a tighter monetary policy for the coming months.

This was previewed yesterday by Finance Secretary Mario Brodersohn and the head of the Central Bank, Luis Machinea, who said that interest rates may be boosted to keep inflation under control.

Taxes will be increased by two percentage points of the gross domestic product over the first 6 months of next year so that the public sector can appropriate an additional $1.6 billion from the private sector.

The move is basically designed to reduce the budget deficit by two points because the government is not planning to cut spending before the next elections.

The plan is to cut the current budget deficit from 3.78 percent of the GDP to just 1.74 percent during the first half of next year.

The announcements are contained in a package of statistics that officials delivered to the top echelons of the Industrial Union, the Chamber of Commerce and the Association of Argentine Banks, which has joined the employers front that supports the anti-inflation plan.

The officials did not explain at the meeting what they will do to lower the deficit, but they said that higher taxes will be the only tool inasmuch as spending will remain constant.

The leaders and economists of the three business groups did not press hard for more information because they were surprised when the officials handed over a series of statistics from which we can gather that at the moment there is no off-budget deficit.

The officials took the silence of the private-sector representatives as a sign of agreement with the fiscal and monetary policy that the administration is pursuing.

The position in support of the economic team was reaffirmed when several economists who gave negative projections of the effects of government accounts on inflation said they were unfamiliar with these projections.

This stand surprised the businessmen at the meeting because before entering they had received exactly the opposite information from the economists.

The officials also noticed that the guests at the meeting remained silent when the head of the Central Bank reported that monetary policy over the coming months would by harsh and contractive.

This information could be seen in the charts that the officials handed out at the start of the meeting and was confirmed by the explanations that Jose Luis Machinea gave.

The monetary plan is based on that hypothesis that cumulative inflation will total four percent over the coming months. Thus, because the money supply is insufficient to finance demand, interest rate hikes can be expected in the future, with their recessionary impact.

Machinea clarified that "interest rates will not necessarily rise," indicating that "this will depend" almost certainly on whether the inflation hypothesis is borne out.

The two officials were accompanied by Under Secretary Ricardo Carciofi and the director of the Central Bank, Juan Sommer, while the private-sector delegation was made up of Roque Macarone (Association of Argentine Banks) and, representing the Industrial Union, Roberto Favelevic (Eduardo de la Fuente and Gilberto Montagna were unexpectedly absent).

The rest of the delegation consisted of economists, who maintained a prudent silence during the meeting, a silence interrupted only by requests for clarifications of the forecasts that were included in the optimistic official charts but that did not merit any response.

* Central Bank Releases Figures for Last Quarter

33480030d Buenos Aires CLARIN in Spanish 25 Oct 88 p 19

[Text] The Central Bank reported in a communique distributed last night that for the last quarter of the year it forecasts an operating profit equivalent to 3.38 percent of the gross domestic product and a loss of 0.25 percent from external transactions during the same period, provided that combined October prices close with a rise of 6 percent and November and December price rises come to 4 percent each.

The estimates that were the basis for the monetary program drafted by the institution that Jose Luis Machinea heads include the performance expected in the first quarter of next year, when the deficit is supposed to stand at 2.78 percent of the GDP (9.676 billion australes) in the event that the debt in the form of Treasury bills is not rolled over; the percentage would be 1.57 (5.456 billion) if the debt is kept constant, in other words, if the 4.22 billion australes that falls due on the bills is not paid out.

Demand

Another condition that was set for the monetary program in projecting its base is that the demand for money will rise by 1.5 percent in real terms. To this end, inflation must not exceed 4 percent, which does not seem possible in light of the prospects that developments in prices suggest.

But before we come to the distant period of January-March 1989, we will see whether the Central Bank actually closes the current year with a net profit of 8.529 billion australes; it would need to post profits of 5.152 billion in the last quarter to manage this.

The Central Bank expects to make these sizable profits because of the difference between the price at which it purchases foreign exchange and the price at which it sells it on the free market; this currently represents a 21.97 percent profit margin.

* Leftist Coalition To Hold Election in December

33480030b Bahia Blanca LA NUEVA PROVINCIA in Spanish 24 Oct 88 p 6

[Text] An unusual event will take place for the Argentine left this December when the Broad Liberation Front (FRAL) and the Movement Toward Socialism (MAS) hold internal elections within the framework of an electoral alliance that has come to be called United Left.

The parties have reached the accord, its members have commented, because the Marxist revolutionary left must offer society an alternative that can channel the votes of all those "who will not wager on the parties of the system," that is to say, the Radical Civic Union (UCR), Justicialism or the Democratic Center Union.

According to FRAL members, this short-term tactic by MAS-FRAL does not mean "breaking ties with the organizations and representatives of the Peronist left," which this time around will still wager on amassing strength "within the movement created by Juan Peron."

The Marxist left feels that it agrees with the Peronist left on the strategic objectives of building a national liberation front that can become the tool for "the definitive liberation of the country," for want of a less redundant way of putting it.

What is noteworthy about the scheduled election is that it will not be the sort of nominating contest that the establishment parties have traditionally held. Quite the contrary, as all those who feel that the United Left program represents them or who feel able to make suggestions to the front will be able to vote; their suggestions will be brought up at the next Program Congress, which is scheduled for March of 1989.

To this end, a FRAL assembly will be held in our city on 5 November, and those in attendance will be able to indicate who their representatives to United Left ought to be.

The "internal-external" election will be held on 18 December and will use the general register of voters plus a register of foreigners that has been drawn up in advance and another for youths between the ages of 16 and 18 so that all can have a chance to express their opinion at the ballot box.

The potential leading FRAL candidates who could be nominated for consideration by the assemblies to run for national deputy seats from the province of Buenos Aires are Eduardo Sigel of the Communist Party, Nestor Rompani of the 29 May Movement, Colonel Cesar Perlinger from IDEPO [Popular Democratic Left], Alberto Mas from the Intransigent Revolutionary Party, and Roberto Aguirre from the Party of the Shirtless.

In Bahia Blanca the names that are up for consideration at the various meetings that have been under way are Jose Lualdi (Communist Party), Jose Parodi (29 May Movement), and Raul Girou (Intransigent Revolutionary Party).

The candidates for president of the nation on the two United Left slates are Luis Zamora from MAS and Nestor Vicente from FRAL. The elections will be run according to the D'Hont proportional system. It seems that the boys of the hammer and sickle are prepared to have it out in public.

Intransigents To Join Justicialists in Elections

PY2211025288 Buenos Aires BUENOS AIRES HERALD in English 21 Nov 88 p 7

[Text] (NA-DYN)—The Intransigent Party's (PI) national convention early yesterday morning approved negotiations to integrate an electoral front with the Justicialist Party, the Christian Democrats and other political forces, thus accepting to run in the 1989 presidential elections under the Carlos Menem-Eduardo Duhalde Peronist ticket.

Following a heated all-night discussion, a vote taken at 6am produced 181 votes in favour of the alliance and 49 against.

The assembly of Intransigent convention delegates ended with the approval of a declaration accepting the "programmatic basis" agreed on with the Peronists for the electoral alliance.

The convention delegates also finally agreed to support veteran Intransigent leader Oscar Alende, one of the most avid promoters of the electoral front on the basis of "the anti-imperialist economic programme which the Peronists will implement if they take over government in 1989."

The convention began to session shortly after 7pm Saturday afternoon at the Cinema Palace on Rivadavia 3500 with the participation of 261 of the 300 registered delegates.

Decoration of the convention site included the Intransigent Party's black and red flags, Che Guevara banners, as well as posters bearing Menem's face with the slogan "Follow me."

The Intransigent national convention is scheduled to meet again in an extraordinary session before March 12 in order to finalize legal arrangements for the presentation of the alliance before the electoral secretariat.

* Carlos Menem's '12 Apostles' Profiled

33480019c Buenos Aires EL NUEVO PERIODISTA in Spanish 13 Oct 88 pp 13-15

[Text] One August afternoon in a rambling old house in the 200 block on Callao Avenue, Peronist candidate Carlos Menem said to his 12 most trusted aides something very similar to what Jesus said to his 12 apostles 2,000 years ago. "Fellows, I ask for your loyalty, because you will be the ones to accompany me on this epic journey toward the Presidency of the nation." And then he predicted: "You will be my team, the men who carry my name to every corner of the country, the most tireless preachers of the lessons of Peronist unity."

The following day, Humberto Toledo, who is not the author of one of the gospels, but rather a journalist for AMBITO FINANCIERO, baptized these men "the 12 Apostles," and their chests swelled with pride.

Eduardo Menem, a senator from La Rioja and the brother of the candidate, La Rioja deputy Julio Corzo, and Eduardo Bauza, director of the La Rioja House in Buenos Aires, are regarded as the "prehistoric faction," because they were close to this leader when he was still a nobody. The trade unionist Ruben Cardozo from Santa

Fe, the gourmet Jose Luis Barrionuevo, and the intendant of Moron, Juan Carlos Rousselot, are "historic" aides, because they became members of the Menem movement at the time the Federalism and Liberation group was launched in 1986. Julio Mera Figueroa, the head of the electoral campaign; agent Cesar Arias; national deputy for Entre Rios Augusto Alasino; the vice governor of Santa Fe, Antonio Vanrell, and legislator Alberto Pierri, from Buenos Aires, on the other hand, sensed the coming miracle just a few months before it occurred. Will these men be the future distributors of the fish and the loaves in 1989?

"We are a higher council which plans, decides certain things and functions as a permanent advisory body. And as if this were not enough, we carry the colossal Menem agenda throughout the country and abroad, step by step," one of the chosen group stated dramatically in his national deputy's office. Another man, who is not a deputy but who talks enthusiastically, provided EL PERIODISTA with his own view of the reason for the existence of this new group. "After 9 July, Menem looked about him and saw that he was practically alone, and that he needed a command unit to back him up and to concern itself, on his behalf, with the four or five major issues. We were all faithful followers, we were there, and he had no choice but to draft us."

"The 12 Apostles" are amusing and industrious individuals. They meet as needed, and according to the requirements of the "all powerful one," on the second floor of the Congress building, where Eduardo Menem has his office, in Callao Avenue house in the 200 block mentioned previously, or at the Hotel Elevage, where the candidate maintains a suite. They are always at his beck and call, and the very dynamics of their work leads to an equitable distribution of their roles.

One of the most imaginative of the 12 says that trade unionist Luis Barrionuevo could well be compared with the man Jesus called Peter. "Barrionuevo does not build churches, but he can put on an impressive spectacle, as he did in River. He also manages the entire trade union structure, and can fill the downtown area with posters in less than 24 hours." And our informant concluded: "Luisito is perhaps the only one of us who can get Menem to change a decision he has made."

Eduardo Bauza collected and managed the resources during the last domestic campaign, and he is one of the La Rioja governor's most trusted aides in economic matters. His friends swear that he would be a match for St Matthew, the tax collector. Apart from being the leading Menem supporter in Mendoza, he serves as general schedule coordinator for his boss.

"Alasino (El Choclo)," reliable sources say, "gets heated, makes threats, and will not let you get away with the littlest thing." There are those who maintain that Alasino advises Menem on state reform, the radio broadcasting law and the control of public enterprises. The presidential candidate values this man in particular because of his work with the Peronist movement in Entre Rios. And we are told that just as Peter founded churches wherever he went, "El Choclo" establishes basic units throughout the length and breadth of the province.

If the Apostle James was the bookkeeper, the lawyer Cesar Arias, a man affiliated with revolutionary Peronism, is the individual in the Menem entourage who represents the law. "Unless you stop him," an associate exaggerates, "Arias will list the name of every member in each district to demonstrate that there has been no fraud."

Julio Corzo has been a crony of the candidate for the longest time. They say that the leader himself regards him as his heir, and in the circle of his intimates, he is compared with John, the apostle who laid his head against Jesus' shoulder just prior to the Last Supper. Corzo sees to Menem's business in the parliament, but also in the electoral districts of Patagonia and Formosa.

Cardozo serves as the arbiter, and he does not do it badly. At the end of July, after several advances and retreats, he got the president of the Justicialist bloc, Luis Jose Manzano (Chupete), and Corzo speaking to each other again. At present he is serving as the mediator between Vanrell and the governor of Santa Fe, Victor Reviglio, in the hope of avoiding internal conflict in this province.

His comrades say that Mera Figueroa is "Menem's nerve center," because they believe that he is the deepest thinker. Moreover, no one can contradict him when he sets his mind to devising anything from tactics and strategy to propaganda posters. As, for example, when he made a suggestion a few days ago which Menem liked. "Carlos," he told him, "talk about economics, the needs of the people. If we get into politics, Alfonsin will really get the better of us."

Eduardo Menem, in addition to concerning himself with international affairs, takes care of the candidate as only a brother can do. Rousselot is not notable as a strategist, but spokesmen for the Menem group swear that next to Barrionuevo, he is the man to whom the candidate pays the most attention. Vanrell represents the Menem system in Santa Fe, and that is all. Pierri, on the other hand, has charge of consolidating the movement in the province of Buenos Aires.

That the list ends with Alberto Kohan is no accident. Some of "the 12" urged him to take charge of the education commission, while everyone knows that "El Ruso" is an expert in accounting and dealing with businessmen, in reality, and only that. His enemies believe that Kohan more nearly resembles Judas Iscariot. To demonstrate his lack of sincerity, his detractors employ a curious argument. He is the best tennis player among "the 12," and yet when he plays with Menem, he lets his boss win in order to please him.

Explosion Kills Policeman at Storage Facility

PY2111152988 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1505 GMT 21 Nov 88

[Text] Buenos Aires, 21 Nov (NA)—At 1120 today, a violent explosion killed a policeman who was standing guard at a federal police storage facility located at the corner of Cobo and Curapaligue Streets in the Flores neighborhood of Buenos Aires.

The explosion, the cause of which remains unknown, caused commotion among the neighbors of the zone. Two fire brigade units were sent. [Words indistinct], federal police spokesmen did not report on injured persons, adding that the blast has killed a policeman and that efforts are being made to identify him.

Gas Leak Causes Explosion

PY2111212088 Buenos Aires TELAM in Spanish 1616 GMT 21 Nov 88

[Text] Buenos Aires, 21 Nov (TELAM)—A gas leak reportedly caused the explosion that killed a policeman at the Federal Police Ammunition Reloading Plant.

According to reports, the leaking gas accumulated inside the storage facility in Flores Sur District and caused the explosion that killed Corporal Juan Spala.

Police Confiscate Coca Leaves, Ether in Salta

PY2111211588 Buenos Aires Domestic Service in Spanish 1600 GMT 21 Nov 88

[Text] In Salta, police have confiscated a total of 100 kg of coca leaves and 15 containers of ether. The operation was carried out near Aguas Blancas in the northernmost part of the province.

In a house near Salvador Mata, police confiscated the ether, which is used in clandestine laboratories in Bolivia to manufacture cocaine.

Salta Federal Judge Ricardo Lona is in charge of the case. No arrest has yet been made.

Bolivia

Police Operations Increase To Repress Violence

PY2111180588 La Paz La Red Panamericana in Spanish 1130 GMT 21 Nov 88

[Text] Approximately 300 people were arrested in several sectors of La Paz last weekend in an operation to curtail the recent wave of violence that has been unleashed.

Police Planning Department Deputy Chief Armando Figueredo said that during the operation 292 people were detained, 55 of whom are minors who were drunk at the time of their arrest.

Figueredo said that the police conducted this operation because of the high crime rate in La Paz and the murder of 15-year-old Veronica Medina Aliaga.

[Begin Figueredo recording] Yes, as you know, we are concerned about the high crime rate, especially those crimes in which minors and foreigners who do not carry identified papers, are involved, and other crimes which have been the cause of alarm among the public opinion, the police, and the mass media. [end recording]

Figueredo said that the police will conduct operations any day of the week. He added that these operations will be conducted by the police, by the special Security Forces, FES [Fuerza Especial de Seguridad] and by [word indistinct].

Five Peasant Groups Form Political Party

PY1911141188 La Paz La Red Panamericana in Spanish 0000 GMT 19 Nov 88

[Excerpt] This afternoon five small peasant organizations met to form a new political party. The party will be called the Multinational Peasants Revolutionary Front [Frente Amplio Revolutionario Campesino Multinacional—FRCM]. The new party leaders are (Macabeo Chila), Zenon Barrientos Rumani, and Hernan Gonzalez Rioja.

The leaders of the new party held a news conference to explain the party's programs. The party groups are the (Tupac Endari Revolutionary Movement), the MNR Leftist Peasants, the Organization of Revolutionary Unity, the Settlers Revolutionary Movement, and the Revolutionary Committee of Rural Projects.

Former Campesino Affairs Minister Zenon Barrientos said the political front seeks to unite all peasant nationalities: Aymara, Quechua, Tupi Guarani, and the smaller tribes of (Collasuyo). [passage omitted]

Brazil

Sarney Reportedly Not To Reshuffle Cabinet

PY2211014888 Brasilia Domestic Service in Portuguese 2100 GMT 21 Nov 88

[Excerpt] President Jose Sarney is not planning to reshuffle the cabinet as a consequence of the PMDB defeat in the municipal elections.

PFL leader in the senate, Marcondes Gadelha, who was received at Alvorada Palace today, said that the president told him that no ministers will be replaced, because the winners in the latest elections represent the government minority. President Sarney also said that he regards any progress made in the democratic process as his own victory because he has struggled for this; he summoned the National Constituent Assembly, which made these elections possible. He therefore takes some credit for this victory of the Brazilian people.

Gadelha also said that the president is willing to talk with the newly elected mayors. [passage omitted]

*** Sarney May Remain Neutral on Succession**
33420005a Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Oct 88 p 5

[Article by Helio Doyle]

[Text] Brasilia—President Jose Sarney is inclined not to support a candidate to succeed him, but rather to remain neutral in the campaign, according to two of his assistants. The president is concerned not to leave office with a defeat on his record. Sarney believes that inflation will drop during the first few months of 1989 and that the economy will improve, and he even believes in the social pact, but he is aware that that will not be enough to make a substantial change in his popularity.

Moreover, it will be difficult to decide on a government candidate. There are those among Sarney's ministers who look favorably on the candidacy of Deputy Ulysses Guimaraes. Ministers Aureliano Chaves and Antonio Carlos Magalhaes, both members of the PFL, are potential candidates. Jose Aparecido de Oliveira and Roberto Cardoso Alves are not concealing their preference for Janio Quadros. Leopoldo Bessone is part of Minas Gerais Governor Newton Cardoso's group.

If the president declares his support for a candidate and starts campaigning, all the ministers will have to go along with him—or resign. But if Sarney adopts the posture of someone "above the fray," his ministers will be free to campaign for their candidates. There is in Planalto Palace a visible intention to prevent a victory by Leonel Brizola or Mario Covas, but it is difficult to come up with a candidate who can confront them, make it to the second round of balloting, and unite enough forces to win. Some people feel that Janio is the man best suited to do so, while others believe only in Ulysses—although they regard him as a "lesser evil."

Sarney did not like the oppositionist tone of Ulysses' speeches at his latest political meetings. The matter has been the topic of evening conversation at Planalto Palace, and the attacks on the chairman of the PMDB by Antonio Carlos Magalhaes have already been discussed. If the political outlook indicates that Ulysses Guimaraes is the only one in a position to challenge Brizola, those recommending that Sarney remain neutral will find their case strengthened.

Senator Marco Maciel still tells the story about one of those eccentric characters found in all the towns in the interior who approached a candidate and asked for money, saying he would use it in the market for votes. The candidate responded by reminding the fellow that the only vote he had was his own. The latter answered, "That's right, sir, I don't have votes, but I can sure mess up a few."

Ulysses Guimaraes may not want Sarney's direct support for his continuing oppositionist talk. But it is certain that he also does not want the president messing up votes. Sarney would prefer someone other than Ulysses, but what he really wants is to defeat Brizola and Covas. The idea of neutrality on the part of the president has many advantages for both Ulysses and Sarney.

Ministers Minimize Leftist Electoral Victory
PY2111173588 Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Nov 88 p A-9

[Text] Army Minister Leonidas Pires Goncalves and Navy Minister Henrique Saboia on 19 November minimized the Workers Party (PT) victory in the elections for mayor in Sao Paulo and in some cities of the State of Sao Paulo. "Remember Fortaleza," Pires said, thus alluding to the fact that Luiza Erundina can go through the same process of political deterioration that affected Maria Luiza Fontenelle, a PT leader who was elected mayor of the capital of Ceara in 1985.

Admiral Henrique Saboia said that "the results were not as dramatic as they have been described," adding that the PT, the PSB [Brazilian Socialist Party], the PSDB [Brazilian Social Democratic Party], and the PDT [Democratic Labor Party], which are all leftist parties, "won mayoral posts in only 7 percent of the Sao Paulo municipal districts." The two ministers made these remarks during a cocktail party after the ceremony marking the day of the flag, at the Army General Headquarters in Brasilia.

Upon arriving at the party, Saboia showed the general a small piece of paper with some notes on the results of the elections in the State of Sao Paulo: "Total number of municipal districts: 564; districts with more than 100,000 inhabitants: 9 leftist mayors and 14 mayors of other political sectors; districts with more than 50,000 inhabitants: 10 leftist mayors and 31 mayors of other political sectors."

Saboia said that the figures have still to be processed by a computer in order to make an improved evaluation. "The important thing," Saboia said, "is that a pluralistic party system has been established in our country."

The Army minister said that the elected mayors represent a "Brazilian mosaic."

Concerning the election of Erundina, Pires said: "We have to wait in order to see her programs." He noted, however, that the new mayor may be unable to meet the demands pressed on her. "The exercise of power deteriorates a politician's leadership. The mass media have bolstered the demands posed by society, which now demands a lot more than what any government can give," he added.

Pires said that there is no connection between the victory of the PT and the repression of workers of the CSN [National Iron and Steel Company] of Volta Redonda by

Army troops, when three workers died. "To maintain that there is such a connection is to interpret the situation to the advantage of some specific sector," he stressed. Pires also denied that he is a presidential candidate.

Oil Workers Accept Proposal, End 10-Day Strike

PY2111154488 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 21 Nov 88

[Text] After a 10-day strike, oil workers will return to work today. They have accepted the Petrobras proposal granting a 15-percent salary increase, with a discount of 40 percent for the days spent on strike, spread over the salaries of December, January, and February. The proposal offers to review dismissals at the Macae Refinery of Rio de Janeiro, and promises not to dismiss more workers.

During the strike, Bahia lost 110,000 liters of oil production per day, in addition to disruption of the supply of oil by-products.

Today, the refineries of Amazonas, Sao Paulo, Rio Grande do Sul, Parana, Bahia, and Sergipe will resume operations. The oil terminals of Sao Paulo and Campinas will again operate as normal. Workers in prospecting and support activities in Parana State will also report to work.

* CFP Forecasts Record Grain Harvest

33420005c Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 88 p 26

[Text] Brasilia—The grain harvest during the 1988-1989 period may reach 72 million metric tons, according to a forecast by the Production Financing Company (CFP). The harvest of cotton, beans, rice, corn, and soybeans alone in the Center-South Region will be up by from 6 to 10 percent over the previous period, rising from 52.1 million to 57.1 million metric tons. The soybean harvest will show an increase of up to 24 percent at 22 million metric tons, with an increase of up to 13 percent in area planted.

According to the CFP, the estimate of 72 million metric tons includes the harvest in the Center-South, production in the Northeast, and "minor crops" such as sorghum, for example. The corn harvest will increase for the second year in a row and may be 6 percent higher than in 1987-1988, rising from 22.6 million to 23.9 million metric tons.

Encouraging the corn harvest through the high minimum price established after the drought in the United States—which raised soybean prices on the international market—prevented a significant drop in acreage devoted to that crop, in the opinion of the CFP's director, Celio Porto. Another strategy that brought good results, he said, was the reduction in the rice harvest, which will drop by 8 percent. The reason is that the CFP has about 5 million metric tons of the product and is unable to sell it because of low consumption.

Beans

The biggest drop this year is expected in the bean crop (down 13 percent). In the 1987-1988 period, 1.1 million metric tons of that product were harvested (from the first crop, which was harvested in November and December). The forecast for 1988-1989 calls for a maximum of 873,000 metric tons. But according to Celio Porto, the smaller bean crop that will be harvested in December (the harvest is late because of drought) may be offset by the second crop, which will be harvested in April. There is also a third harvest of beans between July and September. The drop in production had its greatest impact on beans other than the black variety, since the planting of black beans starts in January.

Inspectors Note Problems in Nuclear Plant

PY2111210788 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Nov 88 p C-3

[By Tania Malheiros]

[Text] The state-run company Furnas Centrais Electricas has not yet complied with the IAEA requirement to purchase a simulator for the Angra I plant, located in the Angra dos Reis municipal district (154 km from Rio de Janeiro). This fact was noted on 18 November by physicists Luiz Pinguelli Rosa and Anselmo Paschoa during the first inspection of the plant by independent observers since the beginning of operations in Angra I in 1981. The scientists, who inspected the plant with federal court approval, said that the simulator can allow Furnas to improve its performance in emergencies. Furnas reported that it has no budgetary allocation for purchasing the simulator.

The inspection is a result of an action initiated 2 years ago by State Deputy Carlos Minc (Workers Party) and by journalist Fernando Gabeira, who demanded that the Angra I plant be inspected by civilians. The authorization was given some 15 days ago by Judge Maria Tereza Lobo of the 7th Federal Chamber. In the next few days, the scientists will deliver a report to the judge on the results of their inspection.

If the judge finds that the plant does not meet operational conditions, she may even order its closure. Angra I was out of order for 15 months following a short-circuit in the generator, and it resumed operations on 28 October. The plant is now operating at 70 percent of its capacity. In the next few days, the plant is expected to operate at full capacity, which is equivalent to 656 megawatts, or approximately 20 percent of the power consumption in Rio de Janeiro.

Pinguelli, who is the director of the Brazilian Society of Physics and of the Coordinating Board of Graduate Engineering Programs (COPPE) of the Rio de Janeiro Federal University (UFRJ), said that in approximately 10 years Angra I will have to replace its two vapor

generators, which should have a useful life of 30 years. Both were wrongly designed and built by Westinghouse Electric Corporation, a U.S. company that Furnas has charged with fraud.

According to Pinguelli, due to the countless problems that Angra I has had over the years, "its reactor could reach its endurance limit earlier than usual and may also have to be replaced." Paschoa, who is the director of the Department of Physics of the Catholic University of Rio de Janeiro (PUC), said that the National Nuclear Energy Commission must find a place for building a dump for the nuclear waste produced by Angra I, which now has some 15 tons of nuclear waste of high activity, and 2,500 barrels of waste of low and medium activity.

Anselmo Paschoa criticized the operational conditions of the pool that houses the fuel (uranium enriched to 3.5 percent) for the reactor of Angra 8 [as published]. He maintained that the pool has no protection—iron grating—on its side walls, and that this may be due to a mistake in the design of the plant.

Carlos Minc and Gabeira also visited the plant. They said that they will file a request with the courts asking that the government allocate a special fund for building safety facilities in the plant.

Pinguelli also affirmed that "this visit is a victory, but many things are still wrong with the Brazilian nuclear program." According to him, the commissions instituted by President Sarney to evaluate the matter, with 13 ministers and 3 independent physicists, "are a great farce," because the agenda for those commissions is being prepared by colonels holding posts at the National Security Council (CSN).

Drug Trafficker Arrested in Rio With Cocaine

PY1811180788 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 18 Nov 88

[Text] This morning the Rio de Janeiro Federal Police arrested drug trafficker (Jose Antonio Solde) with 15 kg of cocaine worth approximately $120,000 or 60 million cruzados [figures as heard].

The trafficker was arrested when he was about to board a bus bound for Vitoria, in Spirito Santo.

Members of the Federal Police believe that (Jose Antonio Solde) belongs to an international drug trafficking ring.

Police Arrest Traffickers, Confiscate Cocaine

PY2111173788 Rio de Janeiro O GLOBO in Portuguese 19 Nov 88 p 14

[Summary] On 18 November, personnel of the Federal Police Antinarcotic Department arrested four drug traffickers and confiscated 18 kg of pure cocaine in Rio de Janeiro.

The drug traffickers were identified as Laurent Fiocconi, alias Michel or Victor Ortega, an alleged French citizen 47; his wife, Colombian citizen Lucia Helena Durango Bedoya, 34; Jose Antonio Soldi Berneta, 36; and Francisco dos Santos, alias Kiko, 24.

* Satellite Project With PRC Discussed

33420005b Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 88 p 11

[Text] Talks between Brazil and China to determine the final form of the project for two remote sensing satellites are moving rapidly toward a new agreement. A delegation of 16 engineers from the National Institute of Space Research (INPE) is in China, and yesterday a delegation of four Chinese researchers arrived in Brazil for a 3-week stay in our country. The exchange of experts is aimed at settling in detail the uses to which the first satellite will be put. That satellite is to be launched at the end of 1992 from the Chinese base in Shanxi, from where it will be placed in synchronized orbit with the sun at an altitude of 778 km above the earth.

"From the standpoint of on-board equipment, I don't believe the joint project will represent a great advance in world terms," explains Getulio Batista Teixeira, a researcher at the INPE who has just returned from China. "Our big competitive strength in relation to the developed countries will lie in the applications system," he says.

The purpose of the system is to make the satellite data more understandable, cheap, and capable of being processed quickly. Its development will require funds equivalent to half the estimated cost of the satellite. With it, the experts intend to integrate the photos obtained into more complete information, thus converting the simple images into interpreted data.

The Chinese researchers will visit the INPE in Sao Jose dos Campos to learn about the applications systems and evaluate their potential. The technology in question is one which Brazil considers itself capable of applying within 3 years. What it involves is a program for a special-purpose computer that will respond at a high scientific level as the user describes the situation and asks questions.

According to the Chinese delegation's chief engineer, Zhang Bingnan of the Chinese Academy of Sciences, the satellite's most important applications in his country are in the field of agriculture, particularly in connection with crop forecasting and the prevention of diseases and agricultural pests, and the monitoring of reforestation, erosion, burned-over land, and floods. The Chinese weather satellite that was launched in September has already helped prevent flooding by the Yang-tze River—an achievement that would not have been possible with an international satellite, which serves only the country that owns it.

Chile

Pinochet Claims U.S. Funding of Opposition

PY2111144488 Madrid EFE in Spanish 2249 GMT 19 Nov 88

[Text] Santiago, 19 Nov (EFE)—General Augusto Pinochet, the Chilean chief of state, said today : "I am not a dictator. If I were, I would not have promulgated the Constitution; I would not have accepted the holding of a plebiscite, nor recognized its results. A dictator does not do these things."

Pinochet made this statement in a speech he delivered in Coihaique at the end of his tour through the southern region of Chile.

In the speech, Pinochet also urged his supporters "to unite themselves, because if we are not united they are going to tear us to pieces."

He also explained the extent of a statement he made on 18 November when he said that the opposition should either define itself or face the consequences.

He said: "I have asked the opposition whether it accepts the Constitution, but it remains silent. The truth is that if it says no, the plebiscite is null. This is why I said to the opposition: You must face the consequences."

Regarding the 5 October plebiscite in which he was defeated by the opposition, Pinochet said he always thought it would be difficult to win, "but I always trusted in God." He added that it must be noted that the government was confronted "by the Russians, and by the American sectors that sent money to the Chilean democratic sectors and to the Catholic Church sectors."

Pinochet said that the Americans sent about $50 million to cover costs of the opposition publicity campaign.

Pinochet reasserted: "I was defeated, but I am not beaten." He added that as he has already said the result of the plebiscite (which he lost) left him like a boxer who was heavily beaten. "But I recovered quickly."

Regarding the future, Pinochet said people must be very careful in electing legislators "because the presidential candidate will emerge by himself."

According to the current Constitution, multiparty presidential and congressional elections will be held by the end of 1989.

Caceres Says Pinochet Not To Run in 1989

PY2111215288 Buenos Aires TELAM in Spanish 0248 GMT 21 Nov 88

[Text] Santiago, 20 Nov (TELAM-ANSA)—Chilean Interior Minister Carlos Caceres has stated here that General Augusto Pinochet will definitely not run in the presidential election slated for December 1989.

In an interview with the newspaper EL MERCURIO, Caceres said that the government does not have a candidate for that election. He added that the electoral and institutional timetable established in the Constitution will remain unchanged.

Commenting on the constitutional amendments demanded by the opposition, Caceres reiterated that no key constitutional provision will be changed. He noted, however, that he is willing to hold a dialogue to seek ways of improving the 1980 Constitution, which has been in force since 1981.

Caceres said he has the required authority and political backing to hold talks with the opposition; he adopted a wait-and-see attitude regarding the position of political parties; and he declined to comment on the changes in the Army leadership following Pinochet's defeat in the October plebiscite.

Colombia

* Barco on Peace Plan, Reform, Foreign Debt

33480015a Bogota EL ESPECTADOR in Spanish 2 Oct 88 p 10-A

[Written responses from President Virgilio Barco to written questions submitted by EL ESPECTADOR; date not given; first paragraph is EL ESPECTADOR introduction]

[Text] Following are the questions submitted by EL ESPECTADOR to the president of the Republic, Dr Virgilio Barco, and the chief executive's answers to those questions.

[EL ESPECTADOR] Dr Julio Cesar Turbay has announced that as sole head of Liberalism he will seek an understanding with the other political sectors, the intent of which is to support the government's programs. Does this strengthen or weaken the concept of a government-vs-opposition parties balance?

[Barco] On 20 July, in my report to the Congress, I once again pointed out the importance of reaching multiparty agreements to provide impetus to proposals such as the Constitutional Reform. In a letter to the PL [Liberal Party] Convention last month I reiterated that proposal and urged the opening of public hearings to gather the ideas of sectors having no parliamentary representation. Talks on these matters were also undertaken with former President Misael Pastrana, which the governing party

has continued with the Patriotic Union and New Liberalism parties. Initial multiparty agreements on these matters have already been reached.

It is evident, therefore, that the president of the republic himself is the first to consider it important that there be dialogue and a meeting of the minds with other political and social forces. To the extent that these talks and agreements—be they between the government and the political parties, or between the governing party and the other forces—facilitate the carrying out of the government's initiatives and planned commitments, the dialogues are clearly compatible with the government-vs-opposition parties concept. This does not mean that Liberalism, which comprises the majority, is going to surrender its banners of change in deals with the minority forces.

[EL ESPECTADOR] In various sectors of public opinion, there is skepticism towards the government's peace plan. What steps will be taken to enhance the credibility of that plan and make it more operable?

[Barco] I don't share your assertion that there is skepticism in various sectors of public opinion with respect to the Initiative for Peace. The various factions of Liberalism as a whole have all offered their support of it; Dr Pastrana has expressed the interest of Conservatism in the Initiative; Patriotic Union considers it a step forward; the trade unions see in it a credible and realistic proposal; Monsignor Castrillon and other members of the Committee for Coexistence find in it important convergences with their own pacification effort; EL ESPECTADOR itself and the EL TIEMPO daily have cited its advantages; at the institutional level, the attorney general of the republic and the hierarchies of Congress have acknowledged its merits; and some guerrilla groups have already started giving serious thought to the Initiative among themselves.

My impression is that the Initiative has produced a climate supportive of reconciliation, to the point where it can be thought of as having gone beyond its bounds as a governmental proposal and taken on the dimension of a national urge.

[EL ESPECTADOR] Do you believe the Initiative is viable?

[Barco] The country has now learned that these efforts must be viewed and analyzed from the standpoint of the realities involved. There are no magic formulas for achieving peace. We have warned that this Initiative faces many difficulties, as our own experiences and those of other countries have amply demonstrated. Nevertheless, we have asked the country to accept with optimism and with hope the opportunities for peace being offered by this effort. As long as certain terrorist groups continue engaging in kidnappings, killings, extortions, dynamite attacks, and insistence on acting forcibly against the national will, peace will obviously be hard to come by. But we are hopeful that the armed rebels will accept and take full advantage of the opportunity being offered them.

In any case, a democracy cannot turn its back on generosity. Only dictatorships and terrorists cannot afford to be generous. A democracy, on the other hand, must by its very essence seek political solutions that will spare Colombians pain and death, even though such efforts may fail when it runs up against incomprehension or the intransigence on the part of subversive groups.

[EL ESPECTADOR] What basis is there for the perception that has now become widespread that we are moving towards adoption of the constitutional reforms proposed in 1979?

[Barco] The constitutional reform that was passed in 1979, then ruled unconstitutional by the Court because of flawed procedures, generated a consensus of all sectors with respect to the principal modifications to the structure of the Congress and of the judiciary found at that time to be indispensable.

The effort that went into the study and the debate that took place between 1978 and 1979 cannot be looked down upon or disavowed. This is why many of its guidelines and its spirit have been incorporated in the constitutional reforms proposal the government has introduced. And they have been incorporated because they are also compatible with the modernization of the state and with our objective that there be no authority without accountability, the principles on which the current institutional reform effort is being based.

A climate of agreement clearly exists with respect to this part of the government's proposed reforms. The task before us is to generate an equally broad consensus in favor of the mechanisms necessary to improve our democracy and make it truly participative.

Since the beginning of this year when I proposed the holding of a plebiscite, I have heard forcible arguments in the sense that Colombians as a whole favor improving our democracy and the broadening our participative mechanisms. This has emerged in all clarity from the public hearings that were held in connection with the development of the Casa de Narino Agreement, and has manifested itself repeatedly in innumerable statements, public meetings and the writings of the spokesmen of the most diverse sectors.

The results of public opinion polls show that more than 80 percent of the nation backs the adoption of democratic participative methods. Methods such as the referendum, the plebiscite, and other democratic innovations would become possible with the adoption of the concept of popular sovereignty that has been proposed by the government.

[EL ESPECTADOR] The government's international policy has been criticized by Liberals as well as conservatives. What is your response to these criticisms?

[Barco] There is evidence that the present Administration's foreign policy has the backing of large sectors. The EL ESPECTADOR editorial of 20 September, for example, contains irrefutable responses to many of the issues that have been raised elsewhere.

The international policy the present administration has been developing has produced highly successful results. We have put in motion a modern diplomacy. We have diversified our international relations. We have advanced into regions from which we had previously been excluded, such as the Pacific Basin and Africa. We have intensified our activities at the Latin American level through participation in the Group of 8. And we have taken an equally dynamic part in multilateral forums, such as, for example, the Nonaligned Countries Movement and the United Nations.

International approbation of Colombia's positions is attested to by the election of our foreign minister as vice president of the recent Nonaligned Countries summit, and by the choice of Colombia as a member of the UN Security Council. At the hemispheric level, Cartagena was chosen as the site of the next Foreign Ministers Conference. Never before has Colombia's international presence been as extensive.

[EL ESPECTADOR] What role is being played in this policy by the appointing of career diplomats to ambassadorial posts?

[Barco] To support an international policy aimed at furthering the highest national interests, a profound change has been made in the organization of the diplomatic service. I promised it during my campaign and it was included in the Liberal platform that was widely accepted by the electorate. As Brazil did over 100 years ago with Itamarati, Colombia has finally decided to professionalize its Foreign Ministry. We have initiated this important process, which in the long run will produce substantial results.

Modernization of our Foreign Ministry includes enhancement of the diplomatic career and strict compliance with the existing rules and regulations governing the selection of civil servants by way of competitive examinations and their promotion. These rules and regulations have existed for a long time but have not been put into practice. It is a secret to no one that our diplomatic service has heretofore responded on many occasions to our domestic political process and not to the orientation of our foreign policy. Under those conditions it is impossible to conduct a credible foreign policy.

Regardless of the normal opposition we can expect to meet over the short term, I have no doubt that we are preparing the country to deal successfully with the threats and challenges of the future.

[EL ESPECTADOR] Some Liberal members of Congress have demanded a change of course in our socioeconomic policy. Do you believe such a change is feasible?

[Barco] Recommendations are easily made when one does not have all the information and is not being held accountable for the management of the government. Despite the international context with which we have had to cope, the results of our socioeconomic policy have been satisfactory.

The figures on production, employment, prices, exports, and international reserves are very positive and exhibit a high degree of stability. The favorable performance of our economy has been equalled by no other country in Latin America, and this has been attested to recently in specialized publications of as high repute as EUROMONEY and INSTITUTIONAL INVESTOR, and in publications sponsored by the World Bank and the IMF. I don't believe that one can take serious exception to an economic management—branding it either as regressive or conservative—because one of its goals is to create a climate of stability that will facilitate the growth of productive activity, or because it has succeeded in reducing unemployment by almost 5 percentage points, or because it maintains one of the region's lowest rates of inflation. One must take into account, for example, the recognition that has been accorded abroad to our treasury minister.

In another respect, the administration has also succeeded in changing the structure of public spending: Investment aimed at the poorest sectors of the population and the heretofore disadvantaged regions has been increased. When have investments in the country's remotest and poorest zones, in the past, totaled $80 billion annually? Investments in aqueducts, to cite one example, increased by 49 percent in 1987, and this year they will increase by 91 percent. The communities being benefited by this outlay have no doubts as to the social content of our economic policy.

The benefits of social investment are not always evident the next day. But the outlay has already begun to bear fruit and will continue to do so in the coming years.

[EL ESPECTADOR] The country is anxiously awaiting a yes or no, in lieu of the existing confusion at this time, as to renegotiation of our foreign debt.

[Barco] I don't believe there is confusion. Our policy has been clear from the start. Its primary objective is to ensure that our revenues equal our expenditures, that is, a recycling of funds.

In my view, the discussion as to whether our debt should be renegotiated has, generally speaking, been wrongly premised. The debate as it has emerged to date has centered on means or methods rather than on aims. We are not opposed to a renegotiation, should it be necessary; and to seek to make it a question of principle, appears to me to be unacceptable.

To date, the goals of our policy have been achieved by way of new credits, and this has the advantage that the negotiations involved are simpler and more expeditious, the flow of commercial credit is not disturbed, and a high level of autonomy is maintained in the shaping of our macroeconomic policy. Should the commercial banks decide that, owing to problems of their own, they cannot grant Colombia the credits we need, we will seek other means. This could well be renegotiation—which is a more costly process—if, owing to circumstances and problems between banks or also between lending countries it would allow us to attain our policy.

[EL ESPECTADOR] What is Colombia's attitude toward Venezuela's preelectoral ferment in relation to our boundary dispute?

[Barco] As president of Colombia, I feel it would be inappropriate for me to comment on Venezuela's internal affairs. As to the boundary problem, I must reiterate what I have always said: Colombia and Venezuela are two sister nations with vast potential for cooperation, and both have a common interest in maintaining excellent relations.

Bogota, D.E., 30 September 1988

*** Justice Minister on Extradition, Insecurity**
53002019a Bogota EL TIEMPO in Spanish
9 Oct 88 pp 1-A, 8-A

[Interview with Justice Minister Guillermo Plazas Alcid by Edgar Torres: "If There Is a Massacre, Not Even the Most Cowardly Will Be Able To Save Himself"; date and place not given]

[Text] His alliance with Patriotic Union leaders in Huila in 1986 for the purpose of drafting joint slates for the parliamentary election stirred up a hornet's nest in the liberal ranks. This added to the stigma which he first ac acquired when he served as the Colombian ambassador to Moscow and was tagged "comrade."

Perhaps for this reason, few thought it likely that the chief of state would ask him to join his cabinet, placing him at the head of precisely the unluckiest ministry and that plagued with the most serious calamities in the Barco administration: the Ministry of Justice.

However, just a few days ago, this witty and lively man, who is approaching the age of 60, completed his first 2 months in that post.

In a modestly furnished council chamber at the ministry (with just a wooden table and half a dozen chairs covered in leather), Guillermo Plazas Alcid talked about the real drug trafficking situation, extradition and the nation.

Criticisms? Indeed. Of certain U.S. politicians with regard to the war on drugs, of the FARC, of Amnesty International and of the indifference of 26 million Colombians to the situation of violence which is bleeding the nation.

[Torres] Voices advocating the reestablishment of extradition of citizens to the United States, that of prosecutor Horacio Serpa, among them, are being heard again. Do you share this view?

[Plazas] Extradition has practical validity in the war on drugs provided it is carried out on the international level. I have my doubts about its efficiency when it is a question of bilateral agreements. The extradition of citizens to the United States is not being implemented, and this is because of a Supreme Court judgment. But regarding this point, I note that the results of putting the treaty into effect were not the most desirable or positive. The country has had an unpleasant experience with the application of this treaty. Many things have been sacrificed without positive or concrete results. I would like to see an evaluation made. The extradition of citizens has as many critics as it does defenders.

[Torres] And you are on which side?

[Plazas] The side of those who propose pragmatic, rather than dogmatic, formulas. The side of those who do not try to show results in the light of theory, but rather in terms of effective reality.

[Torres] In other words, you do not favor reestablishing the treaty?

[Plazas] Extradition is something which commits the international policy of the nation, and it is the chief of state who directs international relations, through the constitutional agency. However, before contemplating the application of a new law, the terms of the treaty should be reexamined with a view to making it efficient in practice.

[Torres] Your assessment of the treaty is not very positive, then. Isn't that so?

[Plazas] I cannot make a judgment of a scientific nature, of a strictly juridical nature, speaking as a critic familiar with international law. I do not have the knowledge which would enable me to give a profound or proper opinion on this matter. What I must recognize clearly and sincerely is that despite the tremendous efforts Colombia has made, the traffic in drugs not only has not been halted, but is expanding with every passing day. This is what we are seeing.

[Torres] Is this an ineffective war?

[Plazas] The important thing here is to understand that Colombia is not responsible. We are not the international "evil brother" in the drug business. We are one of the major victims. This is true, among other things, because there has been no country in the world which has paid a higher price in the war on drugs to date. And we do not even know how much the price paid has contributed to slowing this scourge. As long as drug dealing is a business, and more than that, big business, it will exist. The developed countries must understand this. We must not deceive ourselves about this.

[Torres] But don't the people in the United States think the same thing?

[Plazas] One sees that countries like the United States are contributing to institutions such as the National Police. They provide them with equipment such as helicopters. But the fact is that while they provide a miniscule number of these kinds of equipment for the battle against the production and transportation of drugs, they are simultaneously selling modern airplanes with tremendous range, as well as weapons and communications equipment, to those who engage in this activity. Thus the position of the country is a defenseless one, since it lacks the means of defending itself. It does not produce the raw materials needed to process coca, and it is not a large market, but nonetheless it is suffering consequences in the way we have seen. The struggle must be waged on the international level.

[Torres] The planned world convention on combating drugs, for example?

[Plazas] Perhaps. In November and December, a very high-level meeting will be held in Vienna. It has been scheduled by the United Nations. The purpose is to study mechanisms for dealing successfully with the problem of drug trafficking. One of the points to be discussed, for example, will be adoption of the extradition mechanism on the international level.

[Torres] Is this what the executive branch wants?

[Plazas] The government prefers to participate in a multinational treaty. We Colombians alone, by ourselves exclusively, can do nothing.

[Torres] Is this a way of explaining the overwhelming failure of the battle against drug trafficking?

[Plazas] No. The fact is that there is no activity in Colombia which is not affected by drug trafficking, directly or indirectly. There has been nothing in the history of this country which has exerted a greater influence on our national reality. The death of a minister, an attack on another abroad, the simultaneous burning of the Supreme Court and the Council of State buildings—these things in themselves speak of the incredible impact this diabolical industry has had. Still more serious is the economic effect resulting from the colossal sums of money the drug traffickers control. And the worst thing is that this is a phenomenon which does not exist by itself.

[Torres] Is this the narcoguerrilla argument?

[Plazas] In this connection, there are a number of confused facts. There are some serious indications that there is a strategic or tactical link between the subversives and the illegal trade in drugs and weapons. However, there are also reports to the effect that the individuals linked with the drug trafficking are affiliated with the antisubversive and antirevolutionary sectors. And beyond that, with sectors which are openly committed to and defend large-estate ownership. And all of this is directed against the state.

[Torres] Are you talking about the massacres in Uraba? Does the government find itself trapped between two evil choices?

[Plazas] This is a painful reality, but true. It is something which the laws of physics themselves will explain. To every action, there is a reaction. To the subversive action, there has been a reaction of an opposing political and ideological sort. The two sides are opposed. Both are acting outside the law, against the law. This is the advantage enjoyed by the subversives, the drug traffickers and the common criminals. They are not bound by the limitations imposed by the constitution and the law as the government and the authorities are. The state cannot ignore the law.

[Torres] Amnesty International does not seem to believe that.

[Plazas] No one who honors the truth can say anything like that. I have to say in all honesty that the state—and when I speak of the state I speak of the president, the ministers, the governors and the mayors—the state has absolutely nothing to do with the occurrence of these things. If they occur, they occur independent of the will of the government.

[Torres] Isn't this something like taking Pontius Pilate's attitude?

[Plazas] No. We follow up the investigations, the results they yield. The judges know that it is their duty to investigate, to identify those responsible and to judge them on the basis of the law, without regard to the sector to which they belong, whether governmental or civilian. If the fact is that they are members of the armed forces or the police, then they must be tried. But within a situation of generalized and commonplace violence such as the country is experiencing, when a body is found along the highway or someone is found to have disappeared, it is not possible to state with certainty that it is the agencies of the state which are responsible. Such events should not lead to the conclusion that it is members of the

armed forces who are responsible. The government is concerned about the death of any Colombian citizen, and it knows that no one, much less the state, has the right to take the life of another individual.

[Torres] What will happen in the future?

[Plazas] We can only presume that in a country in which there are sectors interested in striking harsh blows against the oil industry and livestock breeding, the mining industry in Antioquia and sources of foreign exchange such as banana and coffee cultivation, what is being sought is to immobilize the country, to reduce it to nothing. The result of this situation is increased social despair, lack of tranquillity and popular anguish. Perhaps some people will realize what they are doing and what they are seeking when they create this kind of circumstance.

[Torres] Is there a likelihood of a coup d'etat, as some special-interest publications are suggesting?

[Plazas] No. In Colombia, the conditions needed for this to occur do not exist. In particular because our military forces are very professional and very antimilitaristic. And we would say that this does not make such a development impossible, but it is remote.

[Torres] However, social anguish seems to be increasing due to such recent episodes as the massacres, the guerrilla attacks, and the assassinations.

[Plazas] What is happening is that violence has become polarized. The state has lost absolute control of force, but the subversives have lost absolute control of terror. This explains why everyone here is committing kidnappings, assassinations and attacks.

[Torres] And in view of the impotence of the state?

[Plazas] A reaction from all of society is needed. The government can do nothing alone. Society cannot continue to maintain an escapist and theoretical attitude. I note, for example, that there are those who are saying no to the "filthy war". They are always talking about it. And I ask myself how they can describe events like that in Caqueta in such a way, to go back no farther than that. Amnesty, for example, speaks of the violation of human rights. Well, obviously, they are being violated. One is of a structural nature: 7 million Colombian citizens are living below the minimal subsistence level. A prison which was built in Medellin to house 1,000 prisoners now accommodates 3,500. Children are dying of dehydration, and prematurely. But the fact is that there is the other kind too: the violations represented by kidnapping, assassination, attack and intimidation. Here everyone believes that the problem is the conflict between the armed forces and the subversives, and the government against the drug traffickers. The public has adopted the comfortable role of a spectator, but in the Colombian situation, there is no room for spectators. Either all parts of society will react together, and we will all be protagonists, or the day of mass destruction will come. And if this happens, not even the cowardly will be able to save themselves.

* New Trends Observed in Guerrilla Warfare

56002002x Bogota EL TIEMPO in Spanish
9 Oct 88 pp 1-A, 8-A

[Article by Luis Carlos Delgado P.]

[Text] What is happening to the FARC?

Without question, the political and military tactics applied by that terrorist group are changing and are far different to those employed since it emerged 28 years ago.

This fact is borne out by its attacks in Saiza (Cordoba), Minca (Magdalena) and Puerto Wilches, Cantagallo and San Pablo (Santander and Bolivar).

First of all, the attacks were pulled off by a large group of men (300-400) backed by other subversive groups, thus demonstrating the high level of operational capability developed by the guerrilla band.

Second, the National Guerrilla Coordinator has become an organization capable of striking very strong military blows. In Saiza, the FARC acted in conjunction with the Popular Liberation Army (EPL). In Santander and Bolivar, they joined with the Army of National Liberation (ELN). Despite this fact, it claimed credit.

In the past month, the tactic followed has concentrated more on massive, spectacular attacks rather than ambushes by groups of little importance. Is it the intention of the FARC to give the foreign press the impression that Colombia is virtually in a state of war? That is possible. Does the group want to make a show of strength before sitting down with the government to "negotiate" its peace initiative? That is also possible.

Third, a large number of members of the Armed Forces were kidnapped in the attacks. Some analysts see two fundamental reasons for this: pressuring the Army not to pursue the retreat and seeking to internationalize the conflict.

In principle, this tactic of kidnapping has not yielded positive results. The government's position is very clear on this issue: no negotiations under pressure.

Nevertheless, in the case of the attack on San Pablo, the military forces temporarily halted their offensive. In an ultimatum issued by Army radio, the FARC threatened to kill the police hostages if the bombings were not stopped. At any rate, this is the version given following his release by San Pablo parish priest Jaime Perez, who was also kidnapped the day of the attack.

The kidnapping of police and soldiers nevertheless presents authorities with a serious problem. Yesterday, for example, General Vacca Perilla announced that the Army had already located the guerrillas and the San Pablo police. The Armed Forces have said they would try to rescue the kidnap victims, making the utmost effort not to endanger their lives.

The tactic of making other countries believe that the conflict in Colombia is widespread, on the other hand, seems to be achieving its objective. Just as the group did with soldiers kidnapped in Saiza, the FARC already announced that they expect to turn the San Pablo police over to the International Red Cross. Although the government has rejected the intervention of that organization, the latter has exerted pressure with one argument: The lives of the policemen are more important than anything else.

If the guerrillas have changed, so have the military forces. Despite sustaining heavy blows, their ability to respond to the attacks has unquestionably increased. Proof of this fact is that Saiza and Puerto Wilches are the same distance by helicopter from the closest military battalion. While in Saiza they intervened 36 hours after the fighting began, they arrived in Puerto Wilches only 6 hours afterwards. They were supposed to have waited until dawn. In Cantagallo and San Pablo, which are near Puerto Wilches, they acted with the same speed.

In these three towns, the counterattacks were heavy. Army helicopters and A-37 aircraft from the FAC [Colombian Armed Forces] located the trucks in which the guerrillas were fleeing and bombed them. The leader, "Tono," was killed and one guerrilla soldier was wounded.

Despite the military reaction, the column managed to vanish in the San Lucas Mountains, showing that what the guerrillas like to do is to strike rapid, spectacular blows and disappear.

It is true that for the time being, the terrorist groups have had a natural ally: darkness. But the Black Hawk helicopters recently acquired by the Army can fly at night, allowing a more immediate reaction. Will the rebels be forced to strike faster and less spectacular blows? Will the 6-hour takeovers such as Puerto Wilches, Cantagallo and San Pablo become history? Will their terrorist actions increase? What is certain is that in addition to changing tactics, the war of subversion has also changed targets. For example, the FARC have carried out indiscriminate attacks, such as the ambush of a commercial bus last Sunday in Caqueta.

This change is perhaps the result of the change in attitude on the part of the population. Actually, in the Saiza attack, residents helped police and soldiers defend their belongings. In San Pablo, where 17 police were taken hostage, a committee made up of the mayor, the solicitor, the judge and nuns, backed by the consent of all the people, convinced the guerrillas not to kill them.

The same attitude has been assumed in several parts of the country, but outside the law, by self-defense groups made up of simple peasants, which have kept an eye on the guerrilla columns.

Another sure fact is that the guerrilla attacks are part of a strict plan. In Santander and Bolivar, they took place on 5 October, the scheduled date of a national strike involving transporters and commerce. However, nothing happened because the unions postponed it until the 27th. The military forces therefore fear that the escalade of terrorist actions will increase in the days ahead.

Colombia has therefore experienced 6 days of exacerbated, fanatical violence. But the nature of the latest guerrilla attacks seems to lead one to believe that Colombia has entered a different phase from that experienced over the past 40 years.

Six Days of Violence

Sunday, 2 October, Caqueta: FARC ambush of members of the Heroes of Guepi Battalion. The soldiers were traveling in a commercial service bus.

A total of 15 soldiers and 4 civilians died. Ten soldiers and 13 civilians, including 5 children, were wounded.

The attack occurred at El Zanjon, on the highway from Florencia to Cartagena de Chaira.

Antioquia: Three policemen were killed by members of the ELN on an inspection.

Tuesday, Santander and Bolivar: At 1100 and 1130 hours, 350 FARC guerrillas attacked the towns of San Pablo, Cantagallo and Puerto Wilches, located only a few kilometers from one another. One soldier, 1 civilian and 8 guerrillas died and 17 policemen were taken hostage.

Wednesday, Santander: On the highway from Bucaramanga to Barrancabermeja, the ELN ambushed an Army patrol. One corporal and 2 privates were killed, while 9 soldiers were wounded.

Thursday, Santander: In the district of Jurado in El Cerrito, a patrol from the Garcia Rovira Battalion was attacked by ELN terrorists. One noncommissioned officer died, along with five soldiers and four guerrillas.

Friday, Huila: A 2d lieutenant and an officer died and two more were wounded in an attack presumably carried out by FARC members. The soldiers were eating in a restaurant in the municipality of Algeciras.

Paraguay

Christian Democratic Party Elects New President

PY2111150788 Asuncion EL DIARIO in Spanish
21 Nov 88 p 8

[Summary] Yesterday, at a party convention marred by incidents, Doctor Jorge Dario Cristaldo was elected the new president of the Christian Democratic Party (PDC). Alleging irregularities within the Credentials Commission, which is charged with recognizing convention delegates, the other candidate, Luis Manuel Andrada Nogues, withdrew from the convention on Saturday night [19 November].

Police Deny Christian Democrat Resck's Charges

PY1711175488 Asuncion HOY in Spanish
17 Nov 88 p 8

[Text] The investigative department of the police has released a communique "in response to the charges made by Luis A. Resck about the allegedly illegal treatment he received upon returning to the country from a trip abroad." Resck, a leader of the Christian Democratic Party (PDC), on 14 November charged that he was beaten by the police at the Falcon post on the border with Argentina, upon returning to the country from a tour abroad.

The communique adds that the police "have the obligation to tell the truth to the public about what really happened in order to prevent the repeated lies from affecting the tranquillity which the population enjoys under the inspired government of President Alfredo Stroessner."

The communique goes on to say that "we are not aware under what privilege that individual (Resck), upon returning to the country, pretended to enter without fulfilling the obligation of every citizen to show his belongings to the custom house officials."

The communique also says that "it is not known whether he has any legal means to make an honest living," therefore "he is a suspect for any official because—as he himself said on one occasion—he has the privilege of taking expensive trips. It is logical, therefore, for a police official assigned to the custom house to check his belongings."

The police document says that this is all that happened and that there was no need to resort to any violence, "because—as he himself said—no one should treat him ill because of his age." If police treated him ill, that would give him the opportunity to fake a heart attack, or something similar, to create a scandal. Resck is an expert at such tricks.

The communique continues by saying that "Resck has to show to his foreign financiers that he is under repression and persecution. That is why he deliberately failed to meet those obligations demanded from any citizen."

The communique, which was signed by Investigative Police Chief Pastor M. Coronel, concludes by saying that "this character every so often gives histrionic lectures, trying to gain notoriety that no one believes he deserves because no one, not even in his own party, the so-called Christian Democratic Party, pays any attention to him."

Police Detain Journalist Returning From U.S.

PY1711202388 Asuncion ULTIMA HORA in Spanish
17 Nov 88 p 7

[Excerpt] Benjamin Fernandez Bogado, a Paraguayan journalist who has lived in the United States for several years, was detained this morning upon arriving at the international airport. He is being held at the Police Investigative Department.

Fernandez, who was head of the news department of the Sistema Nacional de Television Network, also worked for several local radio stations. He was also a correspondent for ULTIMA HORA during the recent U.S. presidential elections, having sent us regular reports on the subject. [passage omitted]

Released on 21 November

PY2111232088 Asuncion ULTIMA HORA in Spanish
21 Nov 88 p 10

[Excerpts] Journalist Benjamin Fernandez Bogado was released this morning after spending 5 days in police quarters. He was detained without an arrest warrant on 17 November, upon his arrival at Asuncion International Airport, after spending several years in the United States on a scholarship.

"This morning they called me and said: 'You may go.' I was thus released without receiving any explanation," Fernandez said today shortly after leaving the Political Section of the Police Investigative Department, where he was held incommunicado during the past few days.

Fernandez said he was treated well during his detention, but noted that he was never told the reason for his detention. [passage omitted]

It has been reported that Fernandez Bogado will soon head the news department of Radio Caritas. This is why Msgr Pastor Cuquejo, a director of the radio station, showed personal interest in Fernandez. Msgr Cuquejo and Father Pedro Meyer were the only ones who met with Fernandez in police quarters. [passage omitted]

Writer Arrested, Detained at Police Department

PY1811151688 Asuncion HOY in Spanish
18 Nov 88 p 8

[Excerpt] [Passage omitted] Writer and political expert Anibal Miranda was arrested yesterday at about 1000 in downtown Asuncion. He is being detained at the Police Intelligence Department, though the reasons for his arrest are not known.

Last week, Miranda launched his book entitled: "Argentina, the United States, and Insurrection in Paraguay." This book has caused a big controversy within government circles.

Unemployment Rate in Metropolitan Area Revealed

PY2111152388 Asuncion HOY in Spanish 21 Nov 88 p 15

[Summary] A survey conducted in 1987 by the General Statistics and Census Directorate of the Finance Ministry has revealed that 5.51 percent of the economically active work force (PEA) in the metropolitan area of Asuncion is unemployed. In the Asuncion metropolitan area, the PEA stands at 450,606—249,056 men and 201,550 women. Of this number, 24,843 people are unemployed—16,100 men and 8,743 women.

Peru

Economic Adjustment Causes Breach in Government

PY2211013288 Madrid EFE in Spanish 2007 GMT 21 Nov 88

[Text] Lima, 21 Nov (EFE)—Disagreements within the Peruvian Government over a new economic readjustment have caused breaches that are leading to a possible crisis in the third ministerial cabinet of President Alan Garcia.

Political sources have reported that Economy Minister Abel Salinas has reaffirmed the resignation he presented to Garcia when his program was questioned. Government experts have said that this program is necessary in order to face the current crisis "realistically."

Salinas, who is considered one of President Garcia's most loyal ministers, is the third economy minister in the 40 months of Alan Garcia's government.

The center-left newspaper LA REPUBLICA today published a rumor concerning the government crisis, reporting on a complete resuffle of 16 ministers, including Prime Minister Armando Villanueva, who assumed office only 6 months ago.

While Salinas proposes a severe medium-term program, President Garcia supports an immediate and less drastic adjustment, before gradually confronting the economic and financial problem.

The Peruvian Government has been forced to adopt new measures after the failure of the September program which was planned for 120 days.

For 3 weeks, the Peruvian media have been announcing economic "packages" containing an increasingly large number of limited measures, probably as a result of President Garcia's decision to reduce "the traumatic effect" these measures may have on the people.

The September adjustment has reduced the purchasing power of the Peruvian workers' salaries by 60 percent, and has increased the 1988 inflation rate to 1,100 percent, the highest rate ever.

A direct consequence of this adjustment was the wave of strikes that have affected key economic sectors, such as the mining sector, which has been paralyzed for more than 1 month and has caused export losses of $165 million.

The country's main problem is the absence of reserves. This situation is made worse by the losses resulting from the strikes and from the exporters' fear of a repeatedly announced devaluation of the national currency.

During a meeting with businessmen yesterday, Prime Minister Armando Villanueva made a call to the sector asking them to sign a "solidarity pact" on the economic measures.

The Peruvian executives and labor union leaders, however, deemed Villanueva's call for a "solidarity pact" ineffective because of the hasty way he presented it.

Independent economists believe that any economic program to be proposed by the current administration is "doomed to fail," because of the people's "lack of confidence" in President Garcia.

According to political analysts, Villanueva's proposal to involve the business and union sectors in the new economic plan is an attempt to renew the people's confidence in the government.

The delay in announcing the economic measures has caused speculation and shortages in the market. It has forced the people to form lines daily and struggle to buy basic staples.

Agriculture Minister Juan Coronado has admitted that the shortage of some basic staples, such as wheat and milk, are a result of the country's lack of reserves.

Coronado said that the shortage of rice, edible oil, sugar, and other basic foods, however, is caused by the distribution difficulties resulting from the fear of a new economic "package."

Reportage on Terrorist Attacks, Casualties

Police Report for 14-20 Nov

PY2111165188 Madrid EFE in Spanish 0042 GMT 21 Nov 88

[Text] Lima, 20 Nov (EFE)—According to police sources, at least 32 people have died as a result of the terrorist wave that has been unleashed in several places in Peru during the past week.

Violence has flared up in townships in the Ayacucho, Apurimac, Ancash, La Libertad, and Pasco Departments, where mayors of the ruling APRA party, policemen, community leaders, government officials and peasants were killed.

On 15 November, leftist Senator Enrique Bernales, who is president of a congressional commission that is analyzing the causes of violence in Peru, reported that during the first 13 days of November, 90 people died due to terrorist attacks or in struggles against terrorism.

On 14 November, the most serious terrorist attack occurred on the highway that leads to the jungle area of Ayacucho Department, where members of the Shining Path terrorist group blew up a bus carrying 40 passengers and killing 12 of them.

Mariano Quispe, APRA mayor of the Tocctos district of Ayacucho Department, whose daughter is a student from the city of Ayacucho and a teacher from the township of San Juan Bautista—both members of the ruling APRA party—were shot dead.

Five other people, among them Pablo Meza, the APRA mayor of Pillao, were killed by Shining Path guerrillas in various townships of Pasco Department and in the Peruvian central range.

In this same area, the terrorists killed a regional official, two community leaders, and a city hall agent.

Three peasants charged by Shining Path terrorists with being "informers," and with collaborating with the security forces, were killed by the guerrillas in the township of Marca, in the northern Department of Ancash.

A civil guard, a terrorist, and a peasant woman were killed during a terrorist attack on a police post in the township of Tayabamba, La Libertad Department, in northern Peru. In Abancay, capital of the Apurimac Department, a Republican Guard and four guerrillas were killed during an attack by Shining Path terrorists against the Abancay prison.

The newspaper LA REPUBLICA today reports that on 19 November the police arrested three terrorists armed with submachineguns, sawed-off rifles, and explosives. It is believed that they were preparing to attack 200 Peruvian businessmen who are holding a meeting in a hotel in the outskirts of Lima.

The newspaper says that the terrorists were arrested when they were descending from the hills that surround the hotel, which is located in the township of Santa Clara, where the businessmen are attending the Annual Conference of Business Executives (CADE). Four terrorists fled.

Terrorism and the struggle against terrorism have caused more than 12,000 casualties since the Shining Path terrorist group began its activities in 1980. The material damages caused by the Shining Path terrorist attacks amount to $10 million.

Communique on 20 Nov Shootout

PY2211010188 Madrid EFE in Spanish 2339 GMT 21 Nov 88

[Text] Lima, 21 Nov (EFE)—According to a military communique issued today, 7 Peruvian military men and 15 members of the Shining Path guerrilla group died during a shootout yesterday in Apurimac Region in the southeastern part of the country.

The political-military command of the Apurimac Emergency Zone stated that the clash took place near Titicocha, Grau Province.

According to the report, one captain, two sergeants, one corporal, and three soldiers died during the clash, and another sergeant and soldier were declared missing.

The comunique states that 15 terrorists were killed and a large quantity of weapons abandoned by the guerrillas was seized.

Political violence in Peru has already resulted in approximately 140 dead this month, and more than 12,000 during the past 8 years since the Shining Path surfaced.

More Army-Terrorist Clashes

PY2211022488 Lima Television Peruana in Spanish 0100 GMT 22 Nov 88

[Text] Ten terrorists died and two soldiers were wounded in two different clashes between Army patrols and subversive columns. The first clash took place on Sunday, 20 November, at 1100 in Ayacucho.

The second took place in Huancavelica at dawn today. According to an official communique released today by the National Security sub-zone of Center No 5, weapons, ammunition, and a large amount of explosives and subversive propaganda were seized.

Uruguay

Sanguinetti, Justicialist Candidate Meet

PY2211015388 Montevideo Radio Carve in Spanish 0000 GMT 22 Nov 88

[Excerpt] Carlos Saul Menem, governor of La Rioja Province and presidential candidate for the Argentine Justicialist Party, arrived 45 minutes late at Government House in Montevideo for his meeting with Uruguayan President Julio Maria Sanguinetti. This delay was a direct consequence of the weather, which prevented Menem's plane from landing at the Carrasco International Airport on time.

At 1738 Menem met with President Julio Maria Sanguinetti for more than 1 hour. Upon leaving Government House, Menem made a few remarks on Latin American integration, toward which, he said, there has been some progress in the last few years. [passage omitted]

Senator Protests Soviet Diplomat's Remarks

PY2211113488 Montevideo Radio Carve in Spanish 0930 GMT 22 Nov 88

[Text] An incident between a Soviet diplomat and Professor Yamandu Fau, a deputy for the Party for Government by the People [Partido para el Gobierno del Pueblo], that took place on 17 November (?could possibly) become a diplomatic incident between Uruguay and the Soviet Union within the next few hours.

According to reports published in today's newspapers, Deputy Yamandu Fau met with a Soviet diplomat accredited to the embassy in Montevideo, who made remarks that were considered interference in the internal affairs of the Broad Front.

An emphatic note, signed by Senator Batalla, was immediately addressed to Ambassador Igor Laptev protesting the diplomat's (?remarks) to Professor Yamandu Fau. It has also been learned that the note has not been answered and the Party for Government by the People will now officially inform the Foreign Ministry.

Guyana

Country Unable To Meet U.S. Sugar Quota

FL1711233588 Bridgetown CANA in English 1338 GMT 17 Nov 88

[Text] Georgetown, Guyana, Nov 17, CANA—Guyana has declared that it will be unable to meet its 1988 sugar quota of 10,000 long tons for the U.S. market and it has been decided that the shortfall will be shared equally by Belize and Jamaica.

According to a statement issued by the Guyana Sugar Corporation (Guysuco) for the Sugar Association of the Caribbean (SAC), the matter was discussed in Antigua when the board of directors of the SAC and members of the SAC's marketing committee met November 11-12. Chairman of the marketing committee, Ian McDonald, who is also a director of Guysuco, told CANA this was the first time that there has been such a shortfall declared for reallocation within the Caribbean Community.

The statement explained that while Trinidad and Tobago, St Kitts, Barbados, Belize, and Jamaica have already fulfilled their U.S. quota allocations for 1988, "in the case of Guyana, a shortfall in production due to drought in the first half of the year followed by heavy unseasonal rainfall in the second half, made it impossible to meet Guyana's U.S. quota allocation for 1988".

The statement did not say so, but it is known that Guysuco's production has also been badly affected this year by strikes in the sugar industry and by cane fires.

Up to the end of last week, production for the year stood at 139,136 tons and industry officials say the corporation will not be able to meet its original target of 210,000 tons of sugar for this year. Last year Guysuco produced 220,995 tons and in 1986 it produced 245,440 tons. It now seems likely to produce about 175,000 tons this year.

McDonald said the Caribbean Community (Caricom) Secretariat has been notified of Guyana's shortfall and the Secretariat will have to take the formal steps of notifying the U.S. authorities.

He noted that in 1984, following persistent representation by Caricom countries, an understanding was reached between the United States Government and Caricom regarding arrangements for a Caricom regional sugar quota under which any shortfall by a community member will be met by other Caricom states.

"Belize and Jamaica would have the additional sugar available to enable Caricom to make good the regional quotas and everything possible would be done to ensure that the region as a whole benefits from the total quota allocated to the Caricom region for 1988," the statement from Guysuco explained.

The statement said the November 10-11 SAC meeting in Antigua [words indistinct] that the U.S. 1988 sugar quota for SAC countries, which when first announced showed a reduction compared with 1987, has been increased by 17,440 short tons raw value. This increase, the release said, "would benefit the region considerably".